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foreign trade

ANADA

U.S. BUSINESS AS NEW YORK SEES IT (page 3)

CANADA

foreign trade

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cover The unique skyline of New York introduces our leading article in this issue—a review of business conditions in the area served by our New York office, contributed by the Senior Trade Commissioner there.

Printer's Devil to Prime Minister

On November first the Post Office will issue a new five-cent commemorative stamp, bearing the portrait of the Hon. Sir Mackenzie Bowell, Prime Minister of Canada from 1894 to 1896—one of the four Prime Ministers in the five years between Sir John A. Macdonald's death in 1891 and Laurier's coming to power in 1896.

Our special interest in Mackenzie Bowell stems from the fact that he was the first Minister of Trade and Commerce, holding the portfolio from the time the Department was organized in December 1892 until he became Prime Minister in December 1894. He was already an experienced administrator; he had sat in the House of Commons continuously since Confederation and served as Comptroller of Customs at a time when Sir John A.'s "National Policy" was going into effect. Later he became, briefly, Minister of Militia; as one qualification for the latter post, he had served with the Volunteer Rifles during the Fenian Raids of 1866.

In his two years as Minister of Trade and Commerce, he worked energetically at organizing the young Department. He headed Canada's first Trade Mission abroad—to Australia—in 1893 and chaired the second Intercolonial Conference held in Ottawa in 1894. Ways and means of increasing intercolonial trade was, in fact, a project close to his heart.

editorial

Broad-shouldered, bluff and forthright, he came of the sturdy stock that makes the best immigrants. At the age of ten, he left his native Suffolk and, with his parents, settled in Belleville, Ontario; at eleven, he took his first job—as a printer's devil in the office of the "Belleville Intelligencer". Before many years had passed, he was its editor and proprietor—and a lifelong devotee of printer's ink. His convictions were strongly held; he once engaged in a wrestling match with Edward Blake over a political difference of opinion.

When, in 1896, he resigned as Prime Minister, he acted as Leader of the Opposition in the Senate until 1906. He lived on into a vigorous old age; at 93, he enjoyed a summer swim in the Yukon River! Canadians should remember him—to quote an editorial in the Toronto "Globe" on his death in 1917—as "a model public servant, both conscientious and efficient".

—*The Editor*

U.S. Business *as New York sees it*

Most indicators point to an upturn in business activity in the months ahead, with brisk Christmas sales, though consumers are becoming more selective. Exports have been responding to greater foreign demand; U.S. importers feel encouraged by recent improvements in customs arrangements.

S. V. ALLEN, *Consul and Senior Trade Commissioner, New York.*

BUSINESS CONDITIONS in New York city, especially since July, have been encouraging. The uncertain outlook of late 1953 and early 1954 has been replaced by cautious optimism and confidence as the period of temporary adjustment in manufacturers' and retail inventories has tapered off. Normally, however, New York's economy is less sensitive to changes which affect the country generally because of its diversity of industry and high relative employment in distribution and services.

Departmental store sales in recent weeks have been matching the highs of 1953 and prospects for Christmas sales appear especially good. Even in other cities of New York State, where the effect of unemployment on retail trade has been more pronounced, stores are moderately optimistic. These conclusions are supported by a recent survey of New York buying offices representing 1,300 U.S. retailers doing an annual business of over $2·5 billion, as well as by Federal Reserve Board figures covering departmental store sales throughout the United States to the end of September. Following March, when weekly retail sales were consistently 8 to 12 per cent below last year, the weekly figures until July 15 varied between 15 per cent above and 15 per cent below last year's. Since then, only one week (the second week in September) was lower than the corresponding periods in 1953.

Lately New York departmental store sales have proved so encouraging that retail merchants are convinced that the strong undercurrent of demand is bound to result in higher sales than in the closing months of 1953. The maintenance and growth of retail sales, however, are expected to entail more selling effort than in recent years. Trade opinion is that the consumer has become more quality-conscious and selective.

Trend in Consumer Durables

One of the more interesting developments has been the upturn in sales of consumer durables. This was revealed in one national consumer survey which showed that more buyers favoured purchases of new appliances and other durable goods than last year. Forty-three per cent of the consumers polled believed that it was a good time to buy major appliances; in October and December of 1953 the corresponding percentages were 36 and 26. If more recent studies were available, they would probably show further improvement. The introduction of new models of consumer durables, engendered by the increased competition of the past year and by technical advances, is also bound to revive interest in this part of the consumer goods field.

"Discount Houses" Increasing

One recent trend in the retail trade sector has been the increased attention paid in the press and by the trade to the competition offered by the so-called "discount houses". Since production of household appliances and other consumer durables has caught up with demand, new retail outlets have sprung up throughout the country where the consumer may purchase a wide variety of goods at considerably less than the customary list prices offered by the more traditional retailers. One national publication recently asserted that 95 per cent of the electrical appliances sold in New York were sold through such outlets to the avid consumer who, as a result of mass advertising and a high standard of production, is becoming used to buying appliances and other consumer goods on a cash-and-carry basis.

It is difficult to estimate the effect of the discount house on the retail sales of departmental and other stores but it represents a minor revolution in merchandising which has received support from the buying public. Some larger retailers, in fact, have served notice on manufacturers who do not police their distribution arrangements that they intend to meet the competition offered by low overhead discount houses. This may affect radically the distribution habits of many industries and the results will be watched with interest. Fair trade laws governing retail price fixing which are in force in 41 states are due to be tested in no less than 12 states and there are signs that the issue may become a live political one in Washington.

When we turn from retail trade to industry, the picture becomes a more mixed one, though the major short-term economic impact of the cut in defence expenditures from an annual rate of $53·5 billion to only $44·5 billion is believed to be past. The construction industry is prospering because spending on housing, backed by adequate credit, is still above last year's, though business construction, as a result of the decline in business investment during the first half of the year, is off somewhat. One estimate for all construction in 1954 is $36 billion, or two per cent above 1953.

Steel production, though it is picking up, is still much below last year and the coal industry is suffering from the ever-increasing competition offered by natural gas and fuel oil. Lack of new orders has left the shipbuilders operating their yards at only half of capacity and even this rate may be difficult to maintain until 1956, when the industry will benefit from new defence orders. Machine tool order books, on the other hand, have improved.

Stock Market Trends

Stock market trends have proved encouraging. The downward movement which reached its low at the end of August has been replaced by a rise which, in September, carried stocks to their highest prices in 15 years. The volume of shares traded in September, however, was the smallest since February of this year. There appears to be no clear cause for this development and it has surprised most observers. One explanation may be the degree of recent Federal Reserve System support to the money market, designed to arrest the downward adjustment in business.

A premium on the Canadian dollar in New York now seems to be taken more for granted than at any time since March 1952. Its strength in recent months is attributed partially to the increasing operations of a new type of American investment trust involving the transfer of funds for the purchase of Canadian stocks, the income from which, under new U.S. regulations, is not taxable. There is no evidence of a slackening of interest and confidence in Canadian investment opportunities; if anything, the interest is more pronounced than it was last year.

Corporate profits of 650 industrial firms, as estimated by the *New York Times* for the first half of 1954, show a total increase of 3 per cent over January-June of 1953. Of these, however, 361 (or 56 per cent) had lower earnings. The increase comes from the larger earnings of the giant industrial firms, whose operations were assisted by lower taxes and improved distribution methods rather than by larger sales. New York banks report a favourable trend in deposits but a continuing decline in business loans.

The decline in foreign trade through New York in 1954 to date is less than was expected earlier this year and exporters and importers here are encouraged both by the performance to date and by future prospects. The brighter export picture results from increasing foreign demand, assisted by more favourable hard currency conditions abroad and by the ability of U.S. manufacturers and producers to meet increased foreign competition for raw materials as well as finished goods. U.S. export trade with areas such as Latin America and Europe, where stronger competition from European manufacturers was most feared, has been better maintained than was expected. A rise in commercial sales of commodities such as textile fibres and manufactures, chemicals and pharmaceuticals, and automobiles is balancing the decline in military aid shipments and sales of more traditional products, including household appliances and specialized capital equipment, have been well maintained.

Effect of Customs Changes

One of the developments in the trade field which will be of particular interest to Canadian businessmen is the administrative improvements in customs arrangements affecting imports of foreign goods into the United States, which became effective on October first. Although they are not as far-reaching as importing interests wished, the legislative changes made at the last session of Congress may improve slightly the lot of foreign exporters in the United States market. For example, an amendment to the Anti-Dumping Act will place the determination of injury to domestic manufacturers in cases of suspected dumping in the hands of the independent and quasi-judicial Tariff Commission. Previously this was the function of the Treasury. The change will give importers the opportunity to present publicly their case against customs rulings which allege injury to domestic producers. Moreover, the imposition of anti-dumping duties will be affected by a new limitation on retroactive assessment. In future, such duties will be levied only on unappraised customs entries which have been entered within 120 days before the question of dumping duty first arose.

Furthermore, the classification of articles entering the United States will be favourably affected by a new criterion for "similitude" in cases where the articles are not specifically mentioned in the customs schedules and where they now are dutiable at the highest rates applicable to un-enumerated articles similar in material, quality, texture or use. "Similitude in use" will now be the single test. The importing fraternity in New York hopes that these changes will assist their efforts to introduce foreign manufactured articles, and this hope will, naturally, be shared by Canadians. ●

Japan Studies Export Promotion

To bring exports and imports into better balance, Japan has worked out a plan which emphasizes increased exports to all countries, stabilized annual imports, and greater trade with China and South East Asia.

J. C. BRITTON, *Commercial Counsellor, Tokyo.*

THE JAPANESE MINISTRY of International Trade and Industry recently announced a new plan to increase the country's annual exports to $1,740 million by fiscal 1957 and to stabilize annual imports at about $2,000 million. Primarily, it has been designed to improve Japan's international balance of trade which has been deteriorating rapidly. In fiscal 1953, for example, exports totalled $1,270 million, an increase of 1·4 per cent over 1952, but imports reached $2,410 million, 18 per cent above the previous fiscal year.

Study Market Conditions

The plan will emphasize methods of improving the competitive position of a selected list of Japanese products—products which offer reasonable prospects for continuous or expanded export sales. This will entail studies of conditions in overseas markets and, in some cases, improving the efficiency of export industries. Forthcoming and future budgets will provide funds for export trade promotion and the Government has already approved the formation of an Export Council, under the Ministry of International Trade and Industry, to assist in formulating basic trade promotion policies. Membership will consist of the Prime Minister, the Foreign Minister, the Ministers of Finance, Agriculture, International Trade and Industry, and Transportation, the Director of the Economic Counsel Board, and the Governor of the Bank of Japan.

In addition, a second body, the Council for Promoting Export Trade, will be established. It will be made up of various committees who will determine each year's export target for different goods and who will carry out the policies drafted by the Export Council. This second organization will be operated by the Ministry of International Trade and Industry and will consist of the Bureau Chiefs, plus representatives of companies exporting the various products with which the committees will be concerned. Economists and civic leaders will be included in these committees as occasion demands.

The export objective of $1,740 million has been divided in this way:

$602 million for markets in the dollar area
$609 million for markets in the sterling area
$529 million for markets in open account countries.

This entails, within three years, increased exports of $149 million, or 33 per cent, to the dollar area; $275 million, or 82 per cent, to the sterling area; and $72 million, or 16 per cent, to markets in the open account area.

The plan also calls for substantially expanded imports from and exports to markets in South East Asia, with an anticipated export excess of $130 million for Japan.

Freer trade with Communist China is a part of the picture. By 1957, it is anticipated, imports from China will reach $70 million a year. Expected purchases from China include 100 thousand tons of rice, 100 thousand tons of soya beans, 800 thousand tons of coal, 500 thousand tons of iron ore, and 300 thousand tons of salt. Japanese exports to Communist China have been fixed at about the same figure although the specific commodities have not been named.

Principal Commodities Featured

The principal commodities under broad general headings which will comprise Japan's exports under the plan, with comparative figures for fiscal 1953, follow:

	1957	*1953*
	(in million dollars)	
Agricultural and fisheries products	233	49
Textiles	635	186
Chemicals	102	50
Sundries	225	38
Iron-steel goods	150	14
Non-ferrous metals	65	39
Machinery	330	120

Thirty-two export industries have been temporarily selected as offering the best possibilities for increased sales abroad. Divided into six main groups, these export industries are expected to account for $390 million, or 78 per cent, of the estimated total export increase of $497 million. The six groups include such specialized Japanese products as pearls, mono-sodium glutamates, non-durable consumption goods including textiles and chinaware, durable consumption goods such as sewing machines and cameras, ammonium sulphate, cement, synthetic resins, titanium, industrial machinery, and ships. The combined export sales of the six groups in fiscal 1957 is tentatively fixed at $1,099 million. ●

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Trends in Canadian Trade, 1954

First half of 1954 has seen a halt in the decline in Canadian trade which began last year. Rate of exports in the six months has been surpassed in peacetime only in 1952 and 1953, and the rate of imports only in 1953. Several factors have influenced this trend.

L. A. SHACKLETON, *International Trade Division, Dominion Bureau of Statistics.*

THE PRONOUNCED DECLINE in Canadian trade which occurred in the latter part of 1953 appears to have halted in the first half of 1954. When we make allowance for the average seasonal variation to which Canadian trade has been subject in the postwar period, exports are seen to have reached their lowest recent level in the fourth quarter of 1953 and imports in the first quarter of 1954. These trends are illustrated in the accompanying chart and seem to be confirmed by preliminary statistics for subsequent months.

Imports were extremely heavy in the first three quarters of 1953, but declined in the fourth quarter instead of showing their usual seasonal rise. They continued to decline in the first quarter of 1954 but picked up in the second quarter and continued at a higher level in July and August. Exports were at their highest postwar rate in the early part of 1952 and slowed down in the latter part of that year and the first quarter of 1953. After a marked recovery in the second and third quarters of 1953, the result chiefly of very heavy grain movements in this period, they again fell off in the fourth quarter which appears as a trough in the seasonally adjusted data. In the first half of 1954 they showed some recovery from the fourth-quarter rate.

Although the decline in trade appears to have been arrested, earlier record levels of trade were not regained. The steady fall in average export prices was responsible for about a third of the drop in export values since the first half of 1953. The rest of the decline resulted chiefly from the lower level of grain shipments which has prevailed since the autumn of 1953 because of better harvests in many consuming countries and greater supplies in other exporting countries. Lower import volume was alone responsible for the fall in import values; prices averaged somewhat above the level of the first half of 1953 in the first six months of 1954. The decline in import volume appears to have resulted from perhaps temporarily reduced requirements by agriculture and industry for certain capital goods, from some weakness in demand for consumers' durables, from the weakened market for textiles in Canada, and from some measures of inventory reduction. The relative importance of these factors cannot be readily assessed.

Import Balance Reduced

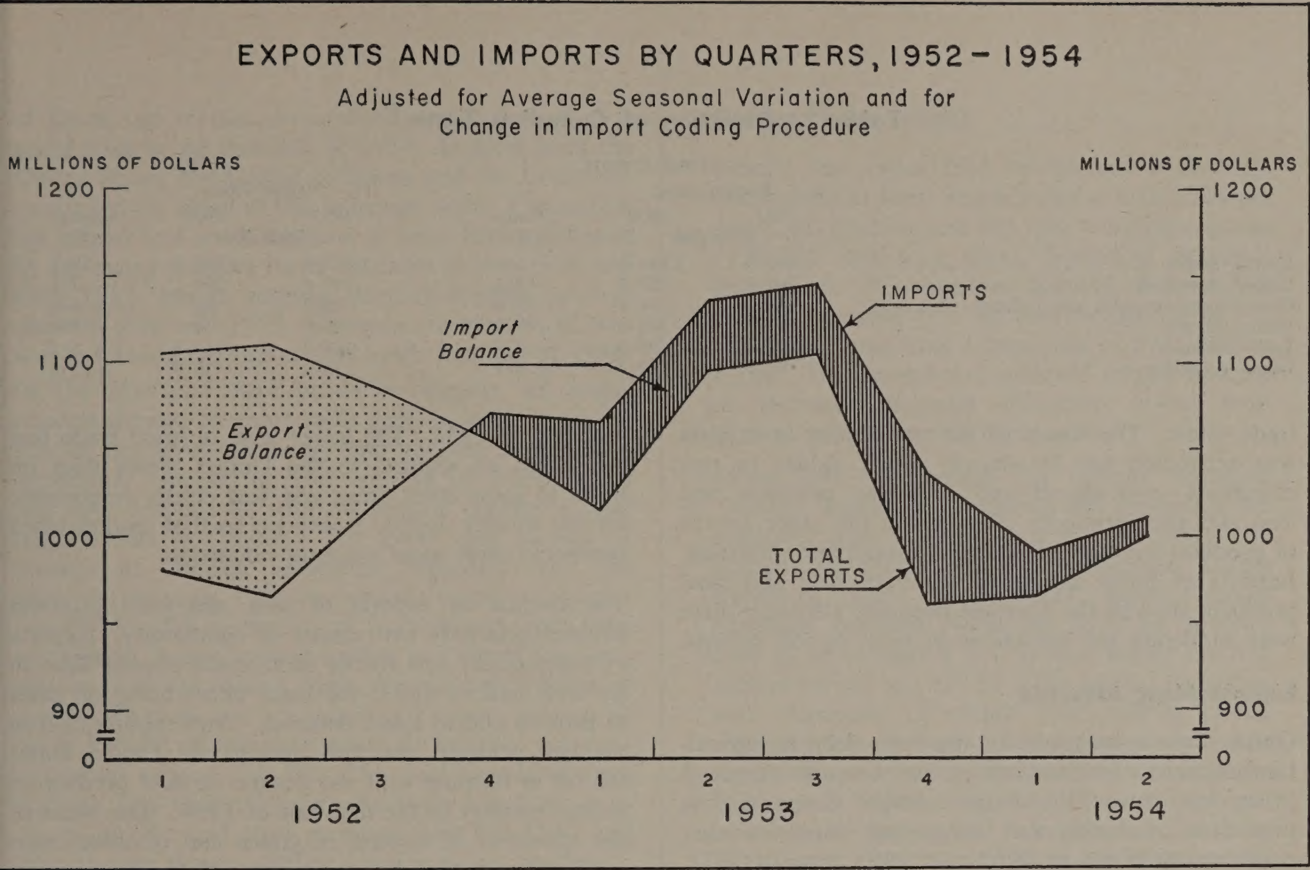
The decline in imports in the half-year was sharper than that in exports, and as a result the import balance which had prevailed for most of the period since 1952

Table 1. Summary Statistics of Canadian Trade

(not seasonally adjusted)

	1953 1Q	*1953* 2Q	*1953* 3Q	*1953* 4Q	*1954* 1Q	*1954* 2Q
			$'000,000			
Value of Trade						
Total exports	913·9	1,105·8	1,089·0	1,063·9	866·3	1,005·9
Imports	998·0	1,218·6	1,118·2	1,048·1	925·9	1,124·2a
Trade balance	−84·1	−112·8	− 29·2	+ 15·8	−59·6	−118·4a
			1948=100			
Price Indexes						
Export prices	119·2	119·0	118·7	116·9	115·9	116·4
Import prices	108·5	109·4	110·3	110·2	109·2	110·2p
Terms of trade	109·9	108·8	107·6	106·1	106·1	105·6
			1948=100			
Volume Indexes						
Export volume	98·2	119·5	117·7	116·9	95·5	110·6
Import volume	138·7	168·4	152·5	143·4	128·3	154·3p

a. A change in import coding procedure in June 1954 increased the value of imports recorded in the second quarter by an estimated $40 million or slightly more, and the trade balance by a similar amount.
p. Preliminary.



was appreciably reduced. The published statistics understate the decrease in the trade balance because of a change in import coding procedures which took effect in June. A change in the method of handling customs documents made it possible to bring the statistical "month" for imports into closer correspondence with the calendar month. However, at the change-over point approximately two additional working days' documents had to be coded in the change-over month, in addition to the normal month's supply of documents. It is estimated that this change increased the total value of imports coded in June and the second quarter by not less than $40 million, and the nominal second quarter import balance of $118 million would, apart from this factor, have been somewhat less than $78 million. For the half-year the trade balance, nominally $19 million less than in the 1953 half-year, would otherwise have been reduced by more than $59 million.

Direction of Trade

Changes in the distribution of Canada's trade among our trading partners were not great in the first half of 1954. The decline in exports to Commonwealth countries and to Europe was sharper than that in sales to the United States and Latin America because of the greater importance of grains in exports to the first two groups of countries. Japan increased purchases of Canadian wheat and barley, becoming Canada's second-ranking market for both grains in the half-year and this raised the export total for the "other countries" group in Table 2. Smaller purchases from the United States and the United Kingdom accounted for the net decline in imports, and shipments from other Commonwealth countries, from Latin America and from several other overseas countries increased substantially. However, trade with the United States still accounted for 67·5 per cent of total trade in the half-year as compared with 68·0 per cent in the 1953 period, and that with the United Kingdom for 12·5 per cent compared with 12·7 per cent of the total.

These changes in the direction of trade were small, but they appreciably reduced the bilateral imbalance of Canadian trade. The import balance on trade with the United States fell from $463 million in the first half of 1953 to $358 million in the 1954 period (without adjustment for the inflated level of June imports), and the export balances on trade with the United Kingdom, the Commonwealth, Europe and other overseas countries (except Latin America) were also smaller. The import balance on trade with Latin America increased partly because of larger purchases of Venezuelan crude petroleum for eastern Canada, and partly because of sharply reduced shipments of automobiles to Brazil, Mexico and Venezuela and of smaller sales of ships to Panama and Venezuela.

A review of some of the more important commodity changes revealed by the export and import statistics clarifies the nature of the changes summarized by the

Table 2. Direction of Canadian Trade

	Total Exports January-June 1953	1954	Change	Imports January-June 1953	1954	Change
	$'000,000		%	$'000,000		%
United States	1,209·6	1,144·8	— 5·4	1,672·4	1,502·8	—10·1
United Kingdom	315·8	287·0	— 9·1	219·6	204·1	— 7·1
Other Commonwealth and Ireland	126·6	96·4	—23·9	76·7	81·7	+ 6·5
Other Europe	170·2	144·6	—15·0	80·0	79·7	— 0·4
Latin America	99·8	95·6	— 4·2	137·7	144·9	+ 5·2
Other countries	97·7	103·7	+ 6·1	30·1	36·9	+22·6

trade totals. The whole of the net decline in exports was accounted for by sharply lower values in two categories—agricultural and vegetable products and iron and steel products. Changes in the other groups of products were mostly relatively small and offsetting. Imports of fibres and textiles and of iron and steel products showed the sharpest declines, although there were moderate net reductions in most import groups.

Exports Most Affected

Grains were responsible for the large drop in agricultural exports; wheat and barley, the two most important in exports, showed the sharpest drops. Crops in most important producing and consuming countries were considerably better in 1952 and 1953 than in 1951, and during 1953 stocks of grain in many consuming countries were built to very high levels. As a result, world trade in grains fell off in the latter part of 1953. The smaller total trade in grains was also divided among a larger number of exporters than in the previous year—small crops had limited the participation of Argentina, Australia, France and Turkey in world grain exports before 1953. However, Canada's share of world grain exports remains high; in the first half of 1954 Canada still supplied 58 per cent by value of the wheat imported into the United Kingdom, compared with some 69 per cent in the two preceding years of exceptionally high Canadian exports. The chief cause of the sharp fall in Canadian exports of wheat to the United Kingdom was the decline in that country's total requirement for imported wheat in the first half of 1954. The lower level of grain trade had less effect on exports to the United States than on those to most other areas and was chiefly responsible for the smaller decline in exports to that market when compared with most overseas countries.

The decline in exports of iron and steel products affected primarily two classes of commodity. Exports of automobiles and trucks were much smaller than in the first half of 1953, the chief effect being on sales to Europe and to Latin America. And exports of iron ore and primary iron and steel to the United States fell off in keeping with the decline in steel production in that country in the first half of 1954. The effect of the reduction in exports of grains and of these commodities was as follows: exports of the four major grains were $125 million lower in the first half of 1954 than in the first half of 1953, those of automobiles and trucks $26 million lower, those of iron ore and primary iron and steel $35 million lower. A net increase in exports of all other commodities offset a significant portion of these declines.

The Import Picture

Imports of fibres and textiles were much lower in the first half of 1954 than in the same period a year earlier. During the latter half of 1951 and the first three quarters of 1952, these imports were very low in volume but they expanded sharply in the last quarter of 1952 and the first half of 1953. Inventories grew during 1953, and in the latter part of the year imports

Table 3. Selected Export and Import Commodities

Domestic Exports	January-June 1953	1954	Change
	$'000,000		%
Wheat	271·5	166·5	—38·7
Wheat flour	52·2	47·5	— 9·1
Barley	49·5	32·3	—34·6
Newsprint paper	295·9	305·4	+ 3·2
Wood pulp	119·2	133·0	+11·6
Planks and boards	139·6	132·7	— 4·9
Automobiles and trucks	33·3	7·4	—77·7
Aluminum	85·1	92·5	+ 8·6
Nickel	81·6	91·2	+11·8
Copper	65·8	60·3	— 8·4
Zinc	35·6	24·9	—29·9
Asbestos	41·7	37·6	— 9·8
All other commodities	722·5	709·3	— 1·8

Imports	January-June 1953	1954	Change
	$'000,000		%
Coffee	26·9	34·9	+29·7
Fibres and textiles	215·7	168·2	—22·0
Machinery, non-farm	205·9	206·6	+ 0·4
Automobile parts	128·5	114·2	—11·2
Rolling mill products	61·2	54·1	—11·6
Tractors and parts	81·1	51·7	—36·2
Engines, internal combustion	57·5	48·7	—15·4
Farm implements	48·0	39·7	—17·4
Electrical apparatus, n.o.p.	97·8	94·0	— 3·8
Petroleum, crude forms	106·3	106·3	0·0
Coal, bituminous	43·7	32·4	—25·8
Aircraft and parts	59·3	49·6	—16·3
All other commodities	1,084·6	1,049·7	— 3·2

of fibres and textiles dropped off and remained at a lower level in the first half of 1954. Imports from the United States, the United Kingdom and the Commonwealth felt the effect of this influence most. The market for textiles in Canada appears to have been weakened by the heavy supplies made available in late 1952 and early 1953, and in addition demand appears to have declined after mid-1953. However, inventories of textiles in Canada fell appreciably in the first half of 1954.

In the iron and steel products category all major imports showed an appreciable decline, with the exception of non-farm machinery and cooking and heating apparatus. Imports of iron ore and of primary iron and steel dropped off with the general decline in steel requirements in Canada. The lower cash income of farmers in Canada, associated especially with the reduction in grain sales to overseas countries, contributed to the fall in imports of tractors and other farm machinery. And a weaker market in Canada for automotive products caused some decrease in imports of automobile parts and of engines and a more substantial cut in imports of complete passenger vehicles. Imports of aircraft engines also fell. The chief impact of these declines was shown by imports from the U.S.; purchases of iron and steel products from the U.K. and from Europe showed relatively moderate net declines.

Price Changes in Commodities

Although import and export prices were, on the whole, relatively stable in 1953 and 1954, a few commodities were especially influenced by price change. The reduction in grain exports was accentuated by lower prices than prevailed during the first half of 1953, and the smaller decrease in the value of lumber exports appears to have been entirely the result of lower prices. Average export prices of zinc and copper were also appreciably lower than those recorded in the first half of the preceding year. Imports were affected by several important price increases, especially the beverage commodities—coffee, cocoa and tea—and also crude petroleum. Higher prices seem to have been solely responsible for the net increase in the value of imports from Latin America in the half-year, but the totals of trade with other areas were less significantly affected by price change.

Though trade in the first half of 1954 did not establish many records, its level was nevertheless quite high by the standards of earlier years. The rate of exports in the first half of 1954 has been surpassed in peacetime only in 1952 and 1953; that of imports only in 1953. These comparisons are true not only of the value of trade but of its volume as well. Indeed, the moderate size of the reduction in trade is perhaps more worthy of comment than the fact of reduction itself, in view of the sharp changes in the international environment in the past year and a half and in particular of the recent readjustments in the United States. ●

Citrus from Israel

Israel's best citrus fruit season ended in May, and thanks to ideal weather and a high yield per grove, the total harvest was over ten million crates (120-150 fruit to a crate, depending on size). Exports to 22 countries totalled 8·2 million crates, compared with the previous record of 5·3 million last year from a crop yield of 8·25 million crates. This record was achieved largely because of increased demand following severe frost damage to the Spanish citrus crop.

Citrus fruit, comprising the famous Shamouti "Jaffas", Valencias, grapefruit and lemons, is the country's most valuable export commodity and accounts for 50 per cent of total exports. Larger shipments and better prices raised foreign exchange earnings from the 1953-54 season's crop to an estimated $10 million above the $22 million earned in 1952-53. The United Kingdom, with purchases of almost four million crates, remained Israel's best customer, but for the first time accounted for less than half of total exports. Russia and Western Germany became important new markets, buying 607 thousand and 280 thousand crates, respectively; other important outlets were Finland, Holland, Denmark, Belgium, Sweden, Norway and Poland.

Early reports indicate that the 1954-55 crop will be inferior because of the poor quality blossom appearing on the trees. Furthermore, United States competition, helped by a 40 per cent government subsidy on citrus exports to all European countries except the United Kingdom, is a growing problem. The U.S. subsidy on citrus exports to the U.K. was cancelled recently after a joint protest from British Commonwealth producers. Israeli citrus growers, however, still have confidence in the future; 10,000 acres of new orange groves have been planted in recent years and another 5,000 acres will be planted this year which will not bear fruit for six years. At present, 34,000 acres are productive. The long-term target is to equal the prewar peak of 18 million crates by planting 62,000 acres during the next ten years.

Before World War II, the famous Jaffa oranges shipped from Haifa had established an enviable reputation on the Canadian market, but now they are almost forgotten. However, prices are becoming more competitive and are now much lower than for Far Eastern oranges; small shipments were again made to Canada this past season. Prospects for next winter look promising.

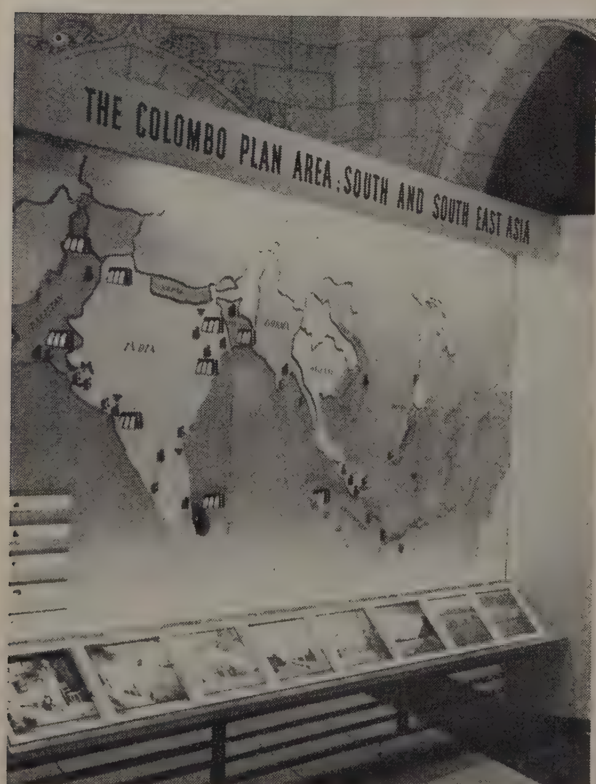
—H. W. RICHARDSON
Commercial Secretary, Athens.

fairs and exhibitions

Colombo Plan in Action

WHEN WAS the Colombo Plan born? In what area does it operate? What projects has it undertaken and how are they progressing? How are these projects financed? To give a graphic answer to these questions and tell, through drawings, text and photographs, the story of the Plan since its birth in 1950 was the purpose of a display recently designed by the Canadian Government Exhibition Commission. The occasion was the meeting in Ottawa of the Consultative Committee for the Colombo Plan and the setting for the exhibition was the Parliament Buildings, where the Committee was at work.

A map painted on plywood and mounted on jute made clear to the visitor as he entered the exhibit the areas in which the Plan operates. Next came a section setting out some of South East Asia's contributions to world civilization and introducing the peoples of the region as they are today and the immense problems that confront them. Successive panels illustrated the inception of the Plan, the ways in which it is financed, and its method of operation. Many of the visitors paused longest before the sections that told of projects under way in the fields of agriculture, community development, transportation and communications, irrigation and power, and industry. The exhibit was rounded out with an explanation of the various methods of assistance used—capital aid, technical co-operation, and counterpart funds—and a summing-up of results already achieved. In addition to the adults who visited the exhibit during the time it was on display, every day saw school classes coming to learn about the Plan and see for themselves how international co-operation works.



First panel to meet the eye of the visitor to the Colombo Plan exhibit in Ottawa was this one, showing the area which the plan covers. Map is made of plywood mounted on jute.

Textiles in Modern Life

FOR MANY MONTHS, planning has been under way for a leading event in the textile world—the Second International Textile Exhibition, to be held June 25-July 10, 1955, in Brussels. The first of these textile shows was held in Lille, France, in 1951.

With the theme, "Textiles in Modern Life", the exhibition will gather in the Palais du Centenaire textiles, textile products and machinery, and clothing from all parts of the world. Visitors are expected to equal in number the more than one million who toured the first textile exhibition at Lille.

For information on the Second International Textile Exhibition, write to the Department of Trade and Commerce, Ottawa.

An Indian Anniversary

THE EYES OF PHILATELISTS all over the world turned recently to New Delhi where, on October first, Prime Minister Nehru opened an International Philatelic Exhibition. Organized to mark the 100th anniversary of the first Indian postage stamp, the Exhibition brought together philatelic displays from about 73 postal administrations in various parts of the world and from numerous private collectors. All these exhibits were housed in the Philatelic Hall,

newly built at a cost of nearly $42,000 and which will eventually become a permanent Postal Museum. The hall had controlled temperature and humidity as a protection for the valuable stamps exhibited.

Special displays illustrated the evolution of India's postal service and its operations today, including the delivery of letters in difficult terrain. To mark the centenary, India also has brought out, in a limited edition, an album containing facsimiles of Indian postage stamps issued during the last century, in their original colours.

Fish for All Tastes

A $200 MILLION CANADIAN INDUSTRY is seeking to broaden its United States markets by presenting its products in an appetizing, up-to-the-minute display. Ten days ago at the Canadian Showroom in Rockefeller Centre, New York, a Canadian fisheries exhibit was formally opened to the public. It will run until November 20th.

The thirty Canadian firms who have combined to put on the display are showing fish to cater to nearly every taste. Canned lobster, kippered snacks and sardines are cheek by jowl with the more utilitarian cod, herring and haddock; salmon, whitefish, lake trout, pickerel and pike are included in the exhibit. Two special frozen food refrigerated units helped to solve the display problem, and the selling job begun by the attractive show is carried forward in literature designed to give prospective buyers further information. The attendant on duty is ready to give names and addresses of Canadian suppliers to interested inquirers.

For the Frankfurt Fair

FRANKFURT, GERMANY, which became a free imperial city in 1245, has long been the scene of two great fairs a year—one in the fall and one in the spring. Last year the five-day Frankfurt International Spring Fair attracted about 250 thousand visitors, some 25,000 of them from foreign countries; about a third of the exhibits came from abroad. Nine European countries, in fact, maintain permanent pavilions on the fair grounds.

In 1955, the Frankfurt Spring Fair will be held from March 6 to 10. Canadian firms interested in exhibiting should apply for space, if possible, before *November 15th.* The First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street, Ottawa, will be happy to supply further information about the Frankfurt Fair or answer questions about it.

Australia in April

ON APRIL 21, 1955, the city of Melbourne, Australia, will see the opening of the first Australian Industries Fair, sponsored and organized by the Victorian Chamber of Manufactures. The Exhibition Building, with its towering dome, has been chosen as the setting and the dates are April 21-May 14.

The exhibit, which will cover about 70,000 square feet, is limited to goods made in Australia, both for local sale and for export, but those goods range from steel to currants and from wool tops to wine. The organizers are hoping to attract many overseas visitors and are providing a special clubroom for them. They suggest that prospective visitors from other countries register in advance, giving probable dates of arrival and departure and making clear whether they require reservations. For further information, write to the Victorian Chamber of Manufactures, 312 Flinders Street, Melbourne, Australia.

Forthcoming Canadian Fairs

Business Equipment Show, Mount Royal Hotel, Montreal, November 2-4. For information: Ralph Stirling, Brandram-Henderson Ltd, Box M, Station E, Montreal.

Industrial Tool and Equipment Show, Show Mart, Montreal, November 8-12. For information: E. M. Wilcox, 19 Melinda St., Toronto.

Third National Packaging Exposition, Automotive Building, Exhibition Park, Toronto, November 9-11. For information: "Canadian Packaging", 481 University Ave., Toronto.

Eastern Canada Hardware Show, Montreal, January 24-27. For information: Eastern Canada Exhibitions Inc., 423 Ontario St. E., Montreal.

50th Canadian Hardware and Housewares Exhibition, Toronto, February 7-10. For information: Canadian Retail Hardware Association, 290 Merton St., Toronto 7.

Canadian Sporting Goods and Cycle Association, Merchandising Show, Royal Connaught Hotel, Hamilton, February 21-25. For information: P. J. Wardle, Suite 604, 80 Richmond St. W., Toronto.

Canadian Toy Fair, Mount Royal Hotel, Montreal, February 28-March 4. For information: Canadian Playthings Manufacturers Inc., 217 Bay St., Toronto.

Canadian National Sportsmen's Show, Coliseum, Exhibition Park, Toronto, March 11-19. For information: Canadian National Sportsmen's Show, 85 King St. E., Toronto.

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Cuba's Foreign Trade Bank

Recent establishment of Foreign Trade Bank, with a capital of $3\frac{1}{2}$ million, is designed to help Cuban exports selling in countries which maintain exchange control. Bank will also study export promotion and ways of broadening Cuban markets for various products in the Caribbean area.

GEORGE BROWNE, *Commercial Secretary, Havana.*

AN EXPORT ECONOMY such as Cuba's, where just over one-third of the national income comes from overseas sales of Cuban sugar, fruits and vegetables, tobacco, mineral ores, coffee, henequen and rum, is particularly vulnerable to the exchange control policies of other countries. Not unconnected with the problem is the fact that sugar—the basis of 90 per cent of Cuba's income—can be grown, in either cane or beet form, in most parts of the world.

The increase in world competition in sugar since the 1937 Agreement is evidence of this. Where additional sugar production in either the cane or beet form is a recent development it often represents not only a loss of markets for Cuba but additional competition which she must face.

The postwar and Korean years of plenty and Cuba's large sugar production have resulted in an enhanced consumer demand. For this demand the infant industries established in the campaign for diversification and historic average sugar crops provide a precarious basis. The need for maintaining Cuban world sales at the necessary level will, it is hoped, be met at least in part by the 1953 International Sugar Agreement. None the less, the active expansion of sugar sales, and of the minor crops and products, calls for special marketing aids under present circumstances.

Why Bank Set Up

One such aid is the Banco Comercio Exterior—or Cuban Foreign Trade Bank—authorized by decree on December 28, 1953, which formally commenced operations on June 28, 1954. In announcing the creation of the bank, the Government explained that exchange difficulties have limited and may limit further markets which are indispensable to Cuba. To supplement agreements for bilateral or multilateral transactions with sugar-consuming countries, an organization is needed which can convert into Cuban funds the credits accruing from sugar sales to countries having exchange control.

Development of agricultural and industrial activities is severely limited by the capacity of Cuban domestic consumption. A complementary export market for these would make their establishment economically profitable. An additional consideration in devising aids and methods to promote exports, said the Government, was the need for sparing the exporter of Cuban agricultural products the necessity of unprofitable sales when exports reached markets under adverse circumstances.

Functions Described

With an initial capital of $3,500,000 provided by the Government—which may be increased to $6,500,000 should private banks, commercial houses and industries wish to participate—the Cuban Bank of Foreign Commerce may obtain credit from commercial banks, from other organizations and the public generally, and from the National Bank, and for that purpose may issue all kinds of paper.

Law-Decree 1232 of December 28, 1953, which established the Cuban Bank of Foreign Commerce also provided for a "Commission for Guaranteeing Minimum Prices for Agricultural Products"—an agricultural prices support board, in effect, whose responsibilities and functions, pending its formal establishment, are to be assumed by the new Bank of Foreign Commerce.

The new bank may obtain discounts, rediscounts, and advances from the National Bank without time limitation against credit granted foreign countries for the sale of Cuban products, and may transfer to the National Bank holdings of inconvertible currencies. The new bank may also issue negotiable securities quotable on the Havana Exchange, representing its share in commercial or industrial firms, and may issue "bearer" titles and bonds representing loans and credits. For all legal purposes, these securities shall be considered as national public securities.

The bank's operations to date have been limited to its intervention in a government-sponsored coffee buying scheme designed to support prices, under legislation enacted early in August, by advancing to the newly-created "Administration for the Purchase and Sale

of Coffee" up to the sum of $800 thousand. This was taken from the special deposit account kept at the National Bank of Cuba, constituting a "Fund for Guaranteeing Minimum Prices for Agricultural Products".

Other Projects Mooted

The Cuban Chamber of Commerce has recently been informed of a bank proposal to study the development of Cuban exports to the countries of the Caribbean, in the course of which a representative would be commissioned to visit Guatemala, Nicaragua, Costa Rica, El Salvador, Honduras, Panama, Venezuela, Colombia, Bermuda, Dominican Republic, Haiti, Puerto Rico, Jamaica, Martinique, Montserrat, Aruba, Curaçao, Trinidad, and the Virgin Islands.

1953

	Value of Cuban Exports	*Value of Cuban Imports*	*Exchange Controls or Import Licences*
	(Pesos—thousands)		
Guatemala	173	57	No
Nicaragua	56	457	Yes
Costa Rica	161	1,113	Yes
El Salvador	107	5	No
Honduras	190	1,726	No
Panama	310	69	No
Venezuela	4,494	1,221	No
Colombia	242	212	Yes
Bermuda	56	1	Yes
Dom. Republic	140	227	Yes
Haiti	90	4	No
Puerto Rico	811	776	No
Jamaica	237	83	Yes
Martinique	....	....	Yes
Montserrat	....	....	Yes
Aruba	115	6,512	Yes
Curaçao	303	7,154	Yes
Trinidad	5	615	Yes
Virgin Islands	16	....	No
	7,506	20,232	

The Commission is to report on the commodities these countries normally import, whether Cuban products are competitive in quality and price, the rights and privileges which apply to Cuban exports, terms of trade and conditions of payment, the advantages or disadvantages of nominating local agents for the sale of Cuban goods, and the normal basis on which such agents operate. In addition, where practicable and considered convenient, it will lay the groundwork for direct relations with Cuban exporters. The Commission will also study possible systems of account where any of these countries do not pay in dollars.

Should the results of this study be encouraging, the Bank proposes giving renewed attention to the desirability of setting up a maritime shipping service to these markets. ●

Animal Feeds for Colombia

. . . opportunities for Canadian suppliers

PASTURE FEEDING has been the basis of Colombia's livestock industry for some 400 years. Because the country is trisected by "cordilleras" of the Andes Mountains which reach 19,000 feet, the long, flat valleys were natural sites for the first cattle ranges. Through the generations this has continued to hold good and even now much of the rich valley land is used for cattle grazing while farmers struggle to raise crops on the surrounding hillsides, often too steep for mechanization. This land use has continued to make cereal grains too expensive for extensive livestock feeding and has prolonged exclusive use of pastures.

There are signs, however, that this practice is changing. Higher prices for many crops are making it less profitable to continue using the best lands for cattle unless production can be increased. For this reason some farmers now irrigate and fertilize their pastures. Others are beginning to supplement the pasture diet of their livestock with ready-mixed concentrated feeds and an animal feeds industry is developing.

Many of the raw materials for animal feeds can now be obtained within the country. Oil cake is being made from local cottonseed, from soya beans and from imported copra. Almost the entire wheat crop is used by the flour milling industry but bran, shorts and middlings are available. Corn is in fair supply although it is very high-priced for livestock, and small quantities of animal protein and bone meal are produced.

On the other hand, the animal feeds industry could use to advantage a large number of imported products. Feed grades of wheat and oats, dehydrated grass and alfalfa meals could be usefully incorporated with local materials. Concentrated fish oils, fish meal and animal-grade powdered milk should also be in demand, plus mineral concentrates and certain antibiotics.

Several animal-feed mixing plants are operating in the cities of Bogotá, Medellín and Calí, and some prepared feeds are being imported. Although up-to-date statistics are not available, the increased demand for both prepared animal feeds and feed ingredients should provide worthwhile trade opportunities for Canadians.

—D. B. LAUGHTON,
Agricultural Secretary, Caracas.

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General notes

Argentina

PLANT TO PRODUCE ISOTOPES—According to the local press, a syncrocyclotron of modulated frequency with electromagnet structure of four metres long and weighing 200 tons is being installed in the laboratories of the National Commission on Atomic Energy. The new instrument is part of the equipment being provided for the production of high velocity charged particles in the manufacture of isotopes for medical purposes. Technical personnel are reportedly being trained to handle the equipment —Buenos Aires, Oct. 5.

Brazil

EQUIPMENT FOR ALKALI COMPANY—After some years of planning, the National Alkali Company last year began effective operation with the signing of contracts for the erection of a soda ash plant at Cabo Frio in the State of Rio de Janeiro. According to the company's 1953 report, orders for $4 million worth of equipment were placed and further equipment valued at $7 million has been selected. Total value of equipment to be purchased and imported from abroad will amount to $15 million. It is expected that the two principal groups of the Cabo Frio plant will be operating within 14 to 20 months, and the whole plant possibly within 26 months—Rio de Janeiro, Oct. 1.

Chile

1955 BUDGET—Estimates for the 1955 National Budget are now before Congress. Receipts for the year are estimated at Ch.$79,183 million and payments at Ch.$76,179 million, the latter only slightly more than 5 per cent above the 1954 figure. Recently published statements of the Finance Minister have stressed the Executive's efforts to curtail expenditure and present a duly financed budget, and have affirmed the Government's intention to avoid, at all costs, the need for future recourse to new issues to meet urgent payments—Santiago, Sept. 28.

India

SODA ASH FACTORY—The Central Government has selected the site for a proposed $12 million soda ash (sodium carbonate) factory which will help to meet South India's growing demand for this industrial material. Macherla, on the River Krishna in Andhra State, was considered the most favourable location because of its perpetual water supply, its proximity to existing cement factories and the accessibility of sizable deposits of the component materials, limestone and salt—Bombay, Sept. 28.

LOAN TO STEEL INDUSTRY—The Indian Government has decided to grant a loan of Rs.100 million to one of the principal steel producers in the country. The grant, which has been under consideration for three years, will facilitate an expansion program which includes plant modernization and an increase in the production of finished steel from 750 thousand to 931 thousand tons by 1957. For the 15-year period of the loan, the Government has acquired the right to appoint a director to the company's board—Bombay, Sept. 28.

Indonesia

PROPOSED RUBBER FACTORY—Plans have been announced to open a rubber factory here which will be equipped with West German machinery. Scheduled to start production before the end of 1955, the factory will turn out automobile and bicycle tires and rubber articles for domestic and medical use—Djakarta, Sept. 16.

Israel

RADIO-TELEPHONE SERVICE—Radio-telephone communication has recently been established between Greece and Israel and between Israel and Turkey. The new service will operate on Mondays, Wednesdays and Fridays from 10 a.m. to 11 a.m. and will be extended in future, depending on the volume of traffic—Athens, Sept. 29.

Singapore

COMPANY REGISTRATIONS—During the first half of this year, 94 companies were registered in Singapore, making a total of 1,636 firms at the end of June. Of the new companies, 75 were local with a total nominal capital of Mal.$93·5 million. Sixteen companies ceased business. In 1953, new registrations totalled 175 and 44 companies closed down—Singapore, Sept. 14.

South Africa

NEW COMPANY REGISTRATIONS INCREASE—Registration of new companies for the first five months of 1954 increased by one-third over the previous year. During the period, 1,285 companies with registered capital of £22·2 million were formed, compared with 905 companies with £4·2 million capital in the same months of 1953. The large increase in capitalization can be accounted for by one mining company with nominal capital of £17·5 million—Cape Town, Sept. 24.

CREDIT EXPANSION—The commercial community of South Africa is turning to the banks for additional credit to meet the demands of customers. In the last six months, credit given by South African banks to local businessmen has increased by more than £17 million to a total of £228·2 million. This expansion of credit facilities offered by merchants reflects the increasing competition that is developing in the Union now that import restrictions are being relaxed—Johannesburg, Sept. 29.

United Kingdom

NEW COKE OVEN PLANT—A well-known Scottish steel manufacturing company recently placed an order for a £2·5 million coke oven plant, to be built at Ravenscraig near Motherwell. The new plant will comprise 70 coke ovens, coal-handling, screening, by-products and storage equipment, as well as blending plant, benzole recovery, and rectification plant. Water re-circulation and cooling equipment will also be a part of the project, which will carbonize 1,600 tons of coal a day—London, Oct. 12.

GOLD AND DOLLAR RESERVES—The sterling area gold and dollar reserves stood at $2,901 million on September 30th, having fallen $17 million during the month. The overall total was made up of a deficit of $12 million in ordinary trading, a payment of $12 million to the European Payments Union on account of August transactions, and a payment of $2 million to European Payments Union creditors under bilateral arrangements. This was offset by the receipt of $9 million in United States defence aid. This decline in reserves has been attributed mainly to seasonal influences, particularly to heavy purchases of the main dollar commodities—wheat, tobacco and cotton—London, Oct. 13.

United States

NEW PAPER PROCESS—A new method of impregnating paper which substantially increases its wet strength and abrasion resistance has been developed by a Cambridge, Mass., chemical firm. Tests reveal that paper treated in this way retains 90 per cent of its tensile strength after being soaked in water. It also is said to have ten times the abrasion resistance of papers treated by other methods. The new process uses synthetic elastomers and resins and can be applied to a variety of thicknesses of paper—Boston, Oct. 13.

NEW ENGLAND CONSTRUCTION—Total value of New England construction reached $801·4 million for the first seven months of this year—24 per cent above the same period last year. Largest increase came in heavy engineering construction which, at $197·1 million, was up 109 per cent. Other non-residential contracts reached a value of $257·5 million, an increase of 21 per cent over 1953. Residential building was 3 per cent higher, at $346·9 million—Boston, Oct. 13.

ATOMIC POWER PLANT—Eleven New England electric utility firms have joined forces to set up a new atomic energy generating company, which will be called the Yankee Atomic Electric Company. The size, location, cost and date of construction are not yet known. Discussions with the U.S. Atomic Energy Commission on details of plant construction will begin shortly—Boston, Oct. 13.

HURRICANE DAMAGE TO TIMBER—The recent hurricanes, Carol and Edna, caused considerable loss to lumber stocks and standing timber in New England. Worst hit was Providence, R.I., where flooding resulted in loss of an estimated two million feet of lumber, some of which is being salvaged. Substantial demand for lumber, particularly in coastal areas of New England, is expected. Damage to standing timber was not nearly so great as in 1938 when over a billion feet of white pine were blown down. Current reports indicate that 17 million feet were blown down in southeastern New Hampshire and about twice as much in Maine. Salvaging will be difficult because of the scattered nature of the falls—Boston, Oct. 13.

Tour of Territory

J. R. MIDWINTER, Assistant Trade Commissioner in Guatemala City, will visit Panama from November 15th for a week, Costa Rica from November 22nd for a week, and Nicaragua from November 27th for several days.

Businessmen interested in these areas should get in touch with Mr. Midwinter as soon as possible at Guatemala City, or c/o the British Embassies in Panama City and Managua, Nicaragua; the British Legation in San Jose, Costa Rica.

Marketing German Motor Cars

With production soaring and domestic sales limited, West Germany's automakers today are cultivating markets in many countries. With sales appeal based on competitive prices, good service, and readily available spare parts, they look for increased business in many areas.

IAN MACDONALD, *Assistant Commercial Secretary, Bonn.*

WEST GERMANY'S EXPANDING AUTOMOBILE INDUSTRY continues to improve its position in world export markets. Exports, running about 75 per cent above last year, have increased more rapidly than production, and in June represented 42 per cent of total sales. Recent statistics show that West Germany is already shipping an average of 810 automobiles a day to foreign markets, and the immediate outlook indicates that further expansion is probable. The Federal Republic, however, still lags well behind its major competitor, the United Kingdom, in export sales of automobiles.

Automobile production in West Germany reached 57,030 units during June, bringing the total for the first six months of 1954 to 321,689, compared with 222,804 during the same period last year. Of the various types of vehicles produced, the station wagon showed the greatest relative increase during the first half of 1954. Output of these multi-purpose vehicles rose from 5,279 to 20,753, passenger cars from 168,391 to 243,151, and trucks from 45,789 to 54,670. Production of delivery vans of less than one ton useful load and of trucks of more than four tons carrying capacity decreased, in anticipation of higher tax levies for heavier commercial vehicles. It has been estimated that total vehicle production in 1954 will probably exceed 600 thousand and may place West Germany second among European producers for the first time since the war's end.

Four companies dominate the industry—Volkswagenwerk, Adam Opel A.G., Daimler-Benz, and Ford Werke. In 1953 these four firms accounted for 84 per cent of private passenger car production in the Federal Republic. The remainder was taken up by eight firms, the more important of which are Borgward and Auto-Union (DKW).

Interest in Overseas Markets

With a large share of the European car market assured, German manufacturers are turning their attention to overseas markets, especially to the United States and the British Commonwealth. The German industry is making determined efforts to increase sales in Canada, Australia, South Africa, India, and even in the United Kingdom, and trade figures show that German promotion is beginning to bear fruit. German car sales are also increasing in South America, although currency difficulties have kept the volume below its potential limits. The table below summarizes Germany's exports of motor vehicles by countries and areas, and indicates the sharp upward trend.

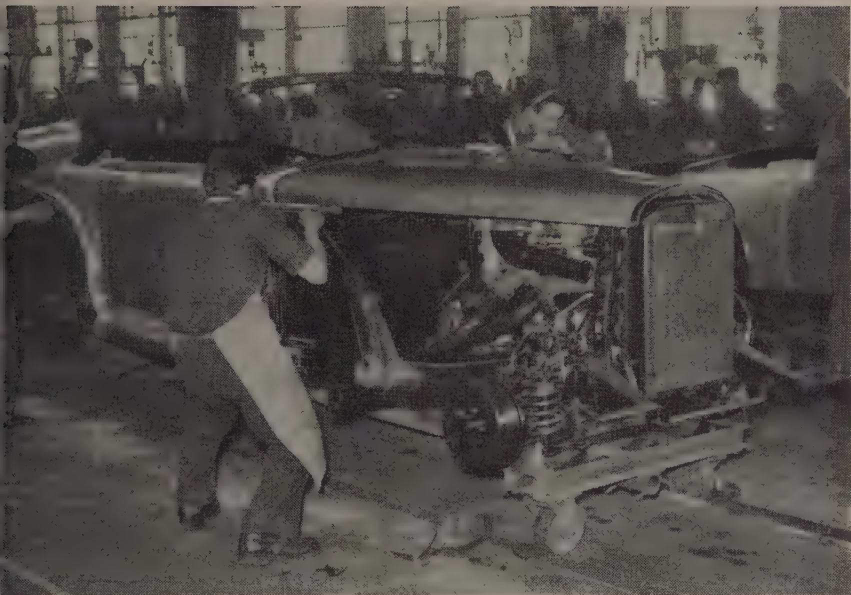
Industry Reduces Prices

Several German auto manufacturers have made price cuts in recent months. Probably the most significant in the eyes of competitors is the price reduction on the Volkswagen which was announced last March. Factors allowing these reductions have included

West Germany's Markets for Motor Vehicles

	1949	1950	1951	1952	1953	January-May 1954
Totals (in units)	15,293	83,134	119,977	136,872	177,685	106,866
Europe:	14,990	72,449	89,697	106,373	143,682	84,156
(incl.)						
Belgium	5,615	14,112	17,348	24,549	31,607	18,515
Denmark	308	2,813	3,367	7,456	17,103	11,439
Netherlands	3,696	16,864	11,299	12,743	19,450	11,959
Sweden	923	20,880	17,270	18,314	20,629	11,211
Switzerland	3,900	9,652	13,380	13,548	24,037	11,252
North and South America	76	4,902	15,457	15,017	17,165	10,104
(incl.)						
Brazil	1	2,311	8,008	6,710	3,138	2,435
CANADA	....	....	....	356	2,064	1,509
United States	2	347	479	1,526	2,618	2,383
Africa	77	4,342	10,839	12,202	11,444	6,901
Asia	66	496	2,079	2,409	5,264	3,822
Australia	84	945	1,905	871	130	1,883

Source: VDA ("Verband der Automobilindustrie") Statistics.



Much manual labour, carried out by highly skilled workers, goes into the 300S. model of the Mercedes. This sports car has been designed by Daimler-Benz with the U.S. market in mind and a large proportion of the models coming off this assembly line will go to American buyers. Daimler-Benz is one of the big four which today dominate the German motor car industry.

modernization of the industry, accomplished in part with the help of Marshall Aid, and (as stated by Dr. Heinz Nordoff, Director General of Volkswagenwerk) the steady world-wide increase in demand for German production. Volkswagen has also kept costs low by concentrating on the production of a single design, with technical improvements only from time to time. At present this efficiency-minded manufacturer is turning out the "People's Car" at a rate of 900 a day and plans have been announced to increase the rate of production to 1,000 a day by the end of the year. As far as is known, the Volkswagenwerk has no immediate plans for either new models or larger cars. In markets for small cars of this type, sales success depends more on price and economy of operation than on the "extras" to which North American drivers are accustomed.

Sales to North America

German manufacturers seem to feel that exports to Canada and the United States will rise to much higher levels in the future. Reasons given are the traffic congestion in many North American cities, which enhances the utility of a small car, the growing ability of American and Canadian families to afford two automobiles, lower maintenance costs and the absence of North American competition in the small car field. The trend of sales over the past few years seems to support this thesis. Exports to the United States totalled 2,291 units during the first five months of 1954, compared with 790 units during the same period in 1953. Similarly, exports to Canada during that period rose to 1,232 from 584. Gaining popularity in the North American market are the German-built sports cars. The Porsche Company, which manufactured about 2,000 racing-type cars during 1953, has found the United States to be its best customer. Preliminary interest in the new Mercedes (Daimler-Benz) sports model also indicates that a large proportion of future sales will be made to American buyers.

Domestic Sales

Wartime destruction, factory dismantling, partition of the country and other postwar complications left a serious gap in Germany's automobile production capacity, and it was not until after the currency reform of 1948 that any real progress was made towards replenishing the war-depleted stock of vehicles. The greatly reduced numbers and the antiquity of those which remained presented postwar manufacturers with an excellent opportunity. Production of passenger cars rose from 104 thousand in 1949 to 369 thousand in 1953, and waiting periods of several months still exist for some makes.

Despite this brisk market, the industry is concerned over the future domestic sales picture. At the present time there is only one car for every 37 inhabitants in the Federal Republic and of the 1,314,856 passenger cars registered, only about 6 per cent are owned by private motorists. The reason for this is not so much the initial cost, forbidding as this may be to the average German worker, but the high operating costs which result from the almost prohibitive registration and gasoline taxes. On the other hand, any large increase in the number of automobiles in West Germany will further burden the already over-crowded highways where congestion has led to an exceptionally high accident rate and 11,000 fatalities in 1953. On the brighter side, the Federal Transport Ministry has declared that improved road networks and traffic conditions will be given top priority. These planned improvements, together with the rising standard of

living in West Germany, suggest that domestic sales, as well as exports, will serve to keep the expanding auto industry healthy for the foreseeable future.

Secret of Success

There is no secret in West Germany's success in automobile export markets. Although the sellers' market for motorcars facilitated initial recovery, more important have been competitive prices, good service, and availability of reasonably priced spare parts. German manufacturers are convinced that initial sales success means nothing unless the customer *remains* satisfied with their products. The continuing expansion of export sales suggests that this enlightened sales policy is paying off.

Where lack of foreign exchange, high transport costs or the policy of protecting infant industries have closed the door on imports of German vehicles, the industry has frequently established assembly plants in these countries to retain a position in the market. Volkswagen, the largest German producer and exporter, has set up (or is in the process of erecting) branch assembly plants in Brazil, Argentina, Australia, New Zealand, South Africa, Eire and Belgium. Daimler-Benz has established plants in Buenos Aires and São Paulo and will have its diesel trucks produced in India. Borgward plans to have its vehicles assembled in Argentina and Indonesia. Auto-Union assembles in Spain, Goliath (affiliate of Borgward) in Sweden, and Henschel in the Union of South Africa.

Automobile Production and Exports by Main Manufacturing Countries

	Production		*Exports*	
	1953	1952	1953	1952
United States	7,300,000	5,567,450	....	297,340
United Kingdom	835,000	690,000	413,000	438,000
France	497,350	498,960	105,025	108,035
West Germany	490,580	428,380	177,720	136,870
CANADA	486,000	433,000	....	79,935

Source: VWD (Vereinigte Wirtschaftsdienste).

Tour of Territory

M. P. CARSON, Consul and Trade Commissioner in São Paulo, Brazil, will visit the states of Parana, Rio Grande do Sul and Santa Catarina for three weeks, leaving São Paulo on or about November 16th. His itinerary will include Londrina and Curitiba in Parana; Porto Alegre in Rio Grande do Sul, and Joinville, Blumenau, Itajai and Florianopolis in Santa Catarina. Businessmen interested in these areas should get in touch with Mr. Carson at São Paulo as soon as possible.

Norway's Herring Industry

IN THE LAST TWENTY YEARS the production of herring meal and herring oil in Norway has grown into an industry of national importance, meeting domestic demands and selling in export markets. The annual catch of herring is large and modern fishing methods have increased it considerably during the last five years. Had it not been for a parallel modernization and expansion of the herring processing factories, much of the fish would have been wasted. As it is, during the season the factories, despite round-the-clock operations, are filled literally to overflowing with herring.

Present annual production of herring oil totals 40,000 metric tons, or double the 1939 figure; production of herring meal has now reached about 180 thousand tons. This last figure is slightly less than the annual U.S. production and about 22 per cent of present world production. Norway's domestic consumption of herring meal is some 60,000 tons a year; the rest is exported. Chief purchasers in 1953 were the United States (18,000 metric tons), Western Germany (16,000), the United Kingdom (26,000), and the Netherlands (9,000). Total value of oil and meal produced annually is estimated at some Kr.300 million; a record of Kr.350 million was reached this year.

Between 70 and 80 per cent of the total herring catch goes to the factories; there are now about 80 plants, all situated on the west coast and stretching almost the length of the country, from north to south. There is also one floating factory for fishermen working far out from the coast.

The plants are striving to make 100 per cent use of the raw materials supplied and to help in this the central organization has established a special research institute near Bergen. Here experiments are carried out not only on more efficient production but also on improving the quality of the finished products. The institute also provides an advisory service and its investigations cover both the chemical and the biological fields. One of the main preoccupations at the moment is the search for a method of preserving the immense quantities of fresh herring delivered to the factories so that the fish can be used before deterioration sets in and arrangements made for a more convenient spread-out of the work involved.

—J. L. MUTTER,
Commercial Counsellor, Oslo.

The Philippine Market for Paper and Newsprint

Despite some progress towards increased local production, the Philippines remains a good market for Canadian paper products, and particularly for newsprint.

H. E. LEMIEUX, *Vice Consul and Assistant Trade Commissioner, Manila.*

THE PHILIPPINE PAPERMAKING INDUSTRY today consists of five mills, with a total capacity of 26,000 tons a year and employing 850 workers. It is capitalized at about $4·3 million, of which an estimated 56 per cent was supplied by private investors and the rest by the Philippine Government. Local raw materials used include sugar-cane bagasse, scrap paper, and lumber mill wastes.

In 1951, Philippine consumers used approximately 90,000 tons of paper and manufactures—or about ten pounds per capita. Local production now meets about 70 per cent of current requirements of all types of paper. The literacy of the population is increasing steadily as a result of the comparatively recent emphasis on education and paper consumption should grow with the growth in the reading public.

Present and Future Production

A recent survey made by the Philippine Council for United States Aid sets out the following statistics on paper production:

	1951		1952*	
Type	*Volume*	*Value (dollars)*	*Volume*	*Value (dollars)*
Writing papers (tons)	4,263	2,272,337	4,700	2,366,309
Chipboard (tons)	1,566	359,586	3,860	745,122
Stencil paper (quire)	—	—	10,000	16,000

*Estimated.

One Filipino plant has a daily manufacturing capacity of 15 to 20 tons of chip and liner board. The Cebu Portland Cement Co., a government-owned corporation, operates a paper mill which can turn out 40,000 multiwall paper bags every eight hours to fill most of the demand from its cement mill.

A projected newsprint mill in the southern island of Mindanao is planning auxiliary facilities which would permit the annual production of 16,500 tons of kraft liner board, 14,500 tons of kraft bag and wrapping paper, and some 12,500 tons of writing and printing papers. There are also plans for a factory to produce wrapping paper from bamboo and rice straw which abound in this country.

The present Philippine demand for newsprint is roughly 20,000 metric tons a year. Newsprint is not yet manufactured locally and supplies must be imported from abroad, largely from the Scandinavian countries, the United States and Canada. Canadian exports of newsprint to this market have risen substantially in recent months—for the first six months of 1954, they reached a value of $527 thousand (about 93,864 cwt.), compared with $94 thousand (16,000 cwt.) in the first half of 1953.

The Soriano interests contemplate establishing a pulp and paper mill in Surigao province in the island of Mindanao. With other paper products, the mill is expected to produce 18,000 tons of newsprint a year, using wood waste from a nearby lumber mill for pulpmaking. It is estimated that this project, which includes the exploitation and development of pyrite, limestone, coal, water and power resources will require a capital investment of $25 million.

The fact that such a large proportion of the Philippine paper requirements must be imported is reflected in the inquiries received by the Manila office on Canadian sources of supply for various kinds of paper.

Canadian exporters interested in the Philippine market for all types and grades of paper should bear in mind that all products of United States origin enter this country free of duty in accordance with the terms of the United States-Philippines Trade Agreement of 1946 (so-called Bell Trade Act), which has been extended to December 31, 1955.

The Philippine customs duties levied on paper other than from the United States vary from 10 to 20 per cent ad valorem, depending on the kind or grade. An exception is newsprint, which can be imported into this market free of duty, regardless of its origin.

Canadian exporters interested in the Philippine market for paper are urged to communicate with the Manila office, and to send details of qualities and c.i.f. prices for the information of importers. ●

Australia Stimulates Tobacco Production

To cut down imports of unmanufactured tobacco and save dollars, Australia is stimulating domestic production in various ways. The end result may be smaller purchases of Canadian tobacco, though sales are holding up well this year.

R. W. BLAKE, *Commercial Secretary, Melbourne.*

TOBACCO PRODUCTION in Australia has had its ups and downs and, despite the demand for greater domestic output to replace imports, the industry has never established itself on a long-term basis. Most of the imports come from the dollar area, including Canada, and the dollar shortage of recent years has focused attention on the necessity for increasing tobacco acreage within the Commonwealth. Under the five-year expansion program, the objective is 15 million pounds to be produced from 16,500 acres. The hope is that this objective will be achieved in 1957-58.

Home-Grown and Imports

Australia uses about 45 million pounds of tobacco a year, but produces locally only one pound in every six. The Australian leaf is blended with imported varieties as a rule, and to encourage the use of the domestic product, manufacturers must employ a certain percentage of Australian-grown leaf in tobacco products or pay a penalty tariff of 1/6d. per pound on imports, in addition to the prescribed duty.

From April 1, 1953, until July 1, 1954, 10 per cent Australian leaf had to be used in mixtures for pipe smoking and for hand-rolled cigarettes, and 6 per cent in manufactured cigarettes. On July 1 of this year, the proportion of Australian leaf in pipe and cigarette tobacco was increased to 12½ per cent and this will jump to 17½ per cent on July 1, 1955. For manufactured cigarettes the figure is 6 per cent of Australian tobacco until July 1, 1955, when it will rise to 7½.

The object of these adjustments is to ensure the consumption at reasonable prices of all usable leaf produced in Australia. The penalty tariff was first introduced in 1936 to assist tobacco growers to market their crops. To qualify for the cheaper duty that year, manufacturers were required to use 13 per cent of local leaf for manufactured tobacco (reduced in later years to 5 per cent) and 2½ per cent for cigarettes.

The policy of the Government is that the percentage of Australian leaf which the manufacturer must use to qualify for the concessional rates of Customs duty on imported leaf will continue to be adjusted, bearing in mind stocks on hand, current levels of production of usable leaf, and the quantities of tobacco and cigarettes being manufactured in Australia.

Most of the imported unmanufactured tobacco comes from the United States and represents a large outlay of dollars. In 1952-53, for example, over £11½ million was spent to import 35·3 million pounds of unmanufactured tobacco. About two-thirds of this came from the United States, at a cost of £7·75 million. Canada too has shared in this market, as the following figures show:

Exports of Canadian Tobacco to Australia

Year	*Quantity*	*Value*
1952	2,784,792 pounds	$1,589,704
1953	1,740,176 "	$ 950,976
1954 (first five months)	2,131,282 "	$1,228,321

In fact, Australia ranks as Canada's second market for leaf tobacco, following the United Kingdom.

Australia's imports of manufactured tobacco and cigarettes in 1952-53 cost a further £4 million; more than two-thirds of the imported manufactured cigarettes came from the United Kingdom. However, imports of manufactured tobacco and cigarettes do not affect local issues in the industry to any great extent. The reason is that locally manufactured cigarettes (made from imported and Australian-grown leaf) have many competitive advantages over the imported product, especially in the matter of price. It is the imported tobacco leaf which is the main concern of the domestic tobacco-growing industry, as it represents direct competition for the local market. The Government, on the other hand, feels that substitution of local leaf would cut down purchases abroad and help save dollars.

A new development that should aid the Australian tobacco-growing industry is the decision of an American tobacco company to invest $3 million in cigarette manufacture in Australia. A leaf expert from this company stated that a chemical analysis of Australian-grown leaf made in the firm's laboratories in New York was satisfactory. The company expects to offer

some tangible assistance in the improvement of Australian leaf which, the expert believes, has a great future provided there is ample rainfall or proper irrigation. Ultimately this company intends to export Australian-made cigarettes.

Increasing Domestic Production

The increase in tobacco acreage recommended by the Agricultural Council in the five-year expansion program is not the first attempt to expand the production of tobacco in Australia.

In 1932-33 over 26,000 acres were in tobacco but this acreage dwindled year by year as the demand changed to the lighter type of cigarette tobacco grown in the United States. The average for the five years ended 1938-39 was 10,000 acres; this dropped to 4,000 acres by 1948-49 but rose to 8,000 acres by 1952-53.

Most of the tobacco is grown in Queensland and the postwar expansion in the industry has taken place mainly in that state. About two-thirds of the total acreage is now in Queensland, compared with 46 per cent prewar. The Agricultural Council considers that this trend will continue and, of the 16,500 acres projected for 1957-58, some 10,000 will be in Queensland and 5,000 in Western Australia.

The area currently under tobacco in New South Wales and Victoria totals about 1,500 acres and no important increase is expected in these states. Prospects for expansion in Queensland are centered around a large-scale irrigation project in the northeast where, it is expected, two-thirds of the state's tobacco will be grown.

Prospects for Expansion

The realization of the Agricultural Council's aim of 16,500 acres in tobacco by 1957-58 is physically possible but to achieve this it will be necessary to give an assurance to growers that all the leaf produced will be sold at reasonable prices. Some of the blame for the instability of the tobacco growing industry in the past has been laid at the door of tobacco manufacturers who, it is said, have resisted the growth of the industry by offering low prices and refusing to buy all of the leaf grown. A long-term marketing scheme to give stability is a prime necessity if Australia wishes to increase its production to the extent envisaged.

In studying the situation, one should remember that much of the leaf produced is unsuitable for manufacture even when it is blended with imported leaf. In 1951-52, when a big crop was harvested, about 25 per cent of the leaf remained unsold and the growers showed great resentment against the buyers. As a consequence acreage dropped the following year.

In 1951-52 Australian tobacco manufacturers produced a total of 32 million pounds of tobacco and cigarettes, of which about two-thirds represented tobacco. At that time the percentage of Australian tobacco that manufacturers had to use to escape the penalty tariff was 3 per cent for cigarettes and 5 per cent for tobacco. This amounted to 1,360,000 pounds of Australian leaf, but actually 2,479,000 pounds were used, indicating that buyers were willing to use home-grown leaf of good quality.

A representative of one of the Australian tobacco-growing co-operatives examines some leaf which has just arrived in the Association's warehouse. Tobacco is grown today on about 8,000 acres; expansion to 16,500 acres by 1957-58 is planned.

Production of good-quality tobacco requires a good deal of experience in cultivation and curing and it is probable that, with the opening-up of new areas for tobacco growing, many of the growers have not yet attained the necessary skill. Given favourable climatic conditions, Australian growers should be able to produce a large percentage of domestic requirements of good-quality leaf, suitable for blending with imported varieties.

The estimated 15 million pounds of tobacco from 16,500 acres projected for 1957-58 would satisfy about one-third of Australia's present consumption requirements and would mean a substantial saving in dollars. The Commonwealth Government's decision to increase the proportion of Australian leaf to be used in manufactured products, and the policy of continually adjusting these quotas, is evidence of their desire to ensure the continued expansion of efficient tobacco production in Australia to conserve foreign exchange. ●

commodity notes

Australia

ZINC, COPPER AND LEAD CONCENTRATES—Production of zinc, zinc concentrate and copper concentrate by the Electrolytic Zinc Co. of Australasia Ltd. at its Tasmanian works in the year to June 30, 1954, was above 1953's; output of lead concentrate was down slightly. Figures for 1954 are: Risdon works, Tasmania—zinc, 99,201 tons; West Coast works, Tasmania—ore treated, 189,437 tons; lead concentrate, 8,817 tons; zinc concentrate, 52,554 tons, copper concentrate, 6,216 tons—Melbourne, Sept. 29.

PLASTIC RAW MATERIALS—Australia, until recently dependent on imports, is now producing annually about 8,000 tons of raw materials for the plastics industry. Four companies turn out raw materials for moulders and manufacturers. Australia's 1953 production of vinyl was estimated at 1,000 tons and that of urea and phenolic materials at 5,000 tons—Sydney, Sept. 30.

Barbados

SUGAR—All the Island's sugar factories have completed grinding operations. Total production of sugar, including fancy molasses (equated at 330 wine gallons per ton) is expected to be about 177,240 tons, compared with 160,700 tons for 1952-53 crop year—Port of Spain, Sept. 23.

Brazil

COFFEE—Coffee shipments through Brazilian ports during July totalled only 646,108 bags, of which 625,959 were exported abroad, 19,815 shipped coastwise and 334 consumed on board. Coffee exports in July 1953 amounted to 875,758 bags—São Paulo, Sept. 28.

British Guiana

MANGANESE—Deposits of manganese estimated at approximately four to five million tons were recently discovered in the northwest district of the Colony by a United States organization. Mining is expected to begin shortly—Port of Spain, Sept. 23.

Denmark

FURS—Exports of Danish pelts were worth about Kr.31 million in 1953. Only some Kr.3 million worth was of Greenland origin, the remaining 90 per cent being from Danish farm-bred animals; 65-70 per cent of total exports went to the United States. Fur farming is still on the increase and an even larger export is expected this year. Of the 1,490 fur farms in Denmark, 1,367 breed mink but only 100 are fox farms and 117 nutria farms. Doubts have been expressed whether a large number of mink will, because of the high cost of feedingstuffs, be profitable in the long run. Experiments are being made with frozen fish as a feed for the mink—Oslo, Oct. 5.

India

TOBACCO—Total value of tobacco exports during the fiscal year 1953-54 was Rs.102 million, as compared with Rs.123·5 million in 1952-53 and Rs.141 million in 1951-52. The United Kingdom continues to be the largest single buyer of Indian tobacco of all varieties, and during 1953-54 took 26,625,000 lb.; Japan is a close second and Aden is third. India sent a tobacco mission recently to Singapore, Malaya and other Far East countries to try to promote exports—New Delhi, Sept. 21.

HIGH-TENSION INSULATORS—A ten-year agreement was recently signed between the Mysore State Government and a Japanese firm for the manufacture of high-tension insulators. The Mysore Government's $1 million expansion scheme for its porcelain factory in Bangalore, aiming at an annual production of 2,500 long tons of electro-porcelain insulators, will make it the largest plant of its kind in India. Almost all the raw materials needed are understood to be available locally—Bombay, Sept. 19.

Indonesia

TIN—The Indonesian tin selling agency reports that tin exports for the first six months of 1954 amounted to 10,500 metric tons. Of this amount, 2,044 metric tons of tin metal, 2,563 metric tons of tin and 366 metric tons of tin ore were shipped to the United States, 4,935 metric tons of tin to Europe, and 593 metric tons of tin to Japan—Djakarta, Oct. 6.

Italy

LAVA WOOL—Italian ingenuity has found a use for a volcano—with German machinery a plant at Santa Teresa di Riva, Province of Messina (Sicily), is now transforming lava from Mount Etna into wool. It is

the first plant of this kind in the world, and experiments have been most encouraging. The lava is melted and passed through a special process and the end product is a kind of felt. This felt wears well, has a neutral reaction, is non-corrosive and contains no corrosive substance and does not shrink or stretch —Rome, Sept. 27.

CANADIAN COBALT 60 BOMBS—With an installation at Lecco in the north later this year, Italy will have obtained three Canadian cobalt 60 bombs for use in cancer therapy. The second was installed in an important Rome clinic during the past few months, and the first (also the first of these therapy units to be sold outside of Canada except for two in the United Kingdom) was put into operation in November 1953 at Borgo Valsugana, near Trento in Northern Italy. Through the publicity given to the installation of these cobalt 60 bombs, the people of Italy have become aware of Canada's place as a leading producer of atomic energy for peaceful uses—Rome, Sept. 27.

Spain

PEANUTS—According to recent press reports, the current peanut crop is estimated at 14,000 metric tons compared with 21,800 tons in 1953. The reduction is explained by the fact that a good crop is always followed by a poor one—Madrid, Sept. 29.

United States

FISH STICKS—The first automatic fish-stick line in the Midwest will be opened in Chicago by a local firm in the near future. Production is scheduled to start in early November, with capacity being reached by early December. An additional production line is contemplated in the near future.

Fish sticks are not yet widely known in the Midwest, but this firm has planned an extensive advertising campaign and hopes that the demand in this area will follow the recent trends on the eastern seaboard —Chicago, Oct. 8.

PULPWOOD—The twelve Southern States cut 16,127,000 cords of pulpwood in 1953; this represented 61 per cent of the total domestic receipts at all pulp mills in the United States. The cut was 11 per cent greater than in 1952 and 15 per cent greater than in 1951. All Southern States except Tennessee showed an increase; the leading producer states were Georgia, Mississippi and Alabama.

Progress in the use of hardwoods for pulp was reflected in the fact that the 1,918,000 cords thus produced (exclusive of dead chestnut) in 1953 was a gain of 13 per cent over 1952. About 50,000 cords were made from veneer cores, cull cross-ties and the ends of piles and piling; 26,000 cords were obtained from converted slabs and edgings—New Orleans, Oct. 6.

SHOES—In an address delivered recently in Kitchener, Ontario, the executive vice-president of the New England Shoe and Leather Association commented that Canada purchased 1·5 million pairs of shoes (mainly women's), valued at $4 million, from the United States in 1953. Canadian shipments to the U.S. were equal in pairage but only half the value because they were made up mainly of house slippers. Trade between the two countries in hides, skins and leather is similar in pattern to that for shoes. Canadian shipments to the U.S. last year were valued at $4·7 million while our purchases from that country totalled $8·5 million—Boston, Oct. 7.

USED WHISKY BARRELS—Southern State reports indicate now the large distilling companies are destroying whisky barrels for lack of sale, whereas back in 1950 they might be sold as high as $7.50 each. Present labelling laws make it impossible to claim age for whisky stored in used cooperage, and they are not much use for food packaging in that the whisky in the staves will leach into food products. Some, of course, are knocked down, decharred and shipped to wine areas for use in packaging oils, wines and vinegars—New Orleans, Oct. 6.

TUNA—Large numbers of tuna averaging from 50 to 60 pounds in weight have appeared off the tip of Cape Cod and along the northern edge of Georges Bank. Fifty-five tons of bluefins were landed recently at Gloucester. At Provincetown catches of 1,500 and 1,800 fish per boat were reported and a total of 10,000 were landed at this port during September. One crew estimated that the schools encountered off Georges Bank contained between two and three hundred tons of tuna—Boston, Sept. 30.

West Germany

ALUMINUM—German aluminum production of 84,000 tons during January-August 1954 exceeded last year's production by almost 23 per cent, and experts expect the 1954 total to reach 125 thousand tons as compared with 107 thousand tons the year before. Germany ranked fourth among the world's aluminum producers in 1953, following the United States, Canada and France, but this year will probably surpass France where an output of 115 thousand tons is expected. The inland aluminum price still stands at DM2,230 per ton. Per capita consumption will amount to four kilograms, against three during 1953—Bonn, Oct. 8.

Hong Kong Ginger for the Gourmet

For over a century, Hong Kong has been skilfully preserving Chinese ginger and exporting it to world markets. Past few years have seen industry faced with difficult supply problems, most of which it has been able to overcome.

T. R. G. FLETCHER, *Trade Commissioner, Hong Kong.*

HONG KONG is the world's major source of preserved ginger and this rather unique industry is one of the oldest in the Colony. Though ginger has been used for centuries in China as a herb with medicinal properties and as a delicious flavouring for the cooking pot, its popularity as a confection is said to date only from 1821. In that year a Chinese foodstuffs hawker in Canton discovered the method by which ginger can be preserved and made into a sweetmeat. His product came to the attention of Europeans at the "Canton Factories" of the day, who found it to their liking, and before long samples were going to England. Tradition has it that Queen Victoria tasted it, enjoyed it, and her royal patronage gave the young industry just the fillip it needed.

The original Canton factory was transferred to Hong Kong in 1846 to give better attention to the growing European demand. Other factories soon followed and by the turn of the century there were eight in operation. By 1915 the number had increased to eleven and all of them are still in operation today.

Syndicate Takes Over

Between the two World Wars, competition among the producers was carried to such lengths that by the middle 1930's the industry faced extinction. Then in 1937, in an attempt to right conditions, the factory owners joined together to form the Hong Kong Preserved Ginger Distributors Limited. This syndicate undertook to control, encourage and protect the industry by regulating prices, by stabilizing exports, by improving techniques and qualities and by conducting research into packing and markets. Appropriately enough, the moving spirit behind its formation was Mr. U Tat Chee, Hong Kong's "Ginger King", the present proprietor of the original preserving factory.

The syndicate makes sales for the whole industry but in practice sells only to merchant exporters resident in the Colony. These merchants in turn sell to overseas brokers or importers in the consuming markets, adding whatever markup the traffic will bear.

The operations of the producers' organization were successful from the start. By 1939 the preserved ginger industry had recovered vitality and total exports reached 6·5 million pounds—mostly to the United Kingdom, the Netherlands, and Australia, with the United States ranking fourth. After World War II recovery was rapid: total exports in 1952 reached 4·9 million pounds worth HK$5 million*, and in 1953, 6·9 million pounds valued at HK$6·5 million. The loss of the United States market because of that country's embargo on trade with Communist China and the fact that the preserving industry's raw ginger traditionally comes from the China Mainland more recently gave the industry a setback.

Supply Problems Continue

Ginger is grown on plantations in the delta of the Pearl River around Canton in South China. The Chinese ginger plant has rhizomes which are much less acrid and less fibrous than those of ginger grown in other producing areas such as Queensland in Australia, Japan, or Cuba and this explains the success of the Hong Kong product. Great care is taken to use only the ginger harvested between August and October when the rhizomes are mature but peculiarly fresh and tender.

Since the Chinese Communists came into power on the Mainland, exports of raw ginger have been controlled by a government-approved ginger export syndicate and the Hong Kong industry has faced problems in getting its full requirements at the usual prices. Supply in 1952 was ample but negotiations on prices and quantities for the 1953 crop broke down completely and the factories only carried on by using existing inventories which were, fortunately, quite large. They eked out these stocks with such irregular purchases from China as they were able to make—at sharply increased prices. Negotiations for supply from the 1954 harvest, now in progress, are expected to be successful; the Hong Kong industry is contracting for five million catties (about 6·7 million pounds) at a price of HK$70 per picul (133⅓ pounds). This figure compares significantly with the 1952 costs of HK$40 per picul. Already export prices of the finished

* One Hong Kong dollar=$0·1672 Canadian.

product have increased in four stages over the past six months to approach the anticipated future price.

As a temporary expedient, three of the preserving factories have brought in Japanese raw ginger but the controlling syndicate has deprecated this action because of the inferior quality of the final product and has disassociated itself from the export of the finished ginger. To safeguard the major market in Europe, it appears that most of the processed Japanese ginger is being directed to the United States, where entry is not affected by the U.S. embargo against China.

The syndicate itself has taken official action to counter the problems of supply from China and, with co-operation from the Department of Agriculture of the Hong Kong Government, is encouraging the cultivation of ginger in the new territories of the Colony. For 1954 the preservers have contracted for some 800 thousand pounds at the incentive price of HK$50 per picul.

As made in Hong Kong, the ginger confection has two forms—preserved ginger in syrup (representing 90 per cent of production) and dry crystallized ginger (about 10 per cent of total output). The technique of processing each is identical up to the last few steps.

Processing the Ginger

• On arrival at factory, the fresh ginger roots are cleaned and peeled, then pickled in brine and stored in large tanks until needed. The actual preserving process begins with a soaking in a weak vinegar solution; the ginger roots shrink and turn dark purplish-red in colour. A thorough washing in cold water follows, topped off with a brisk half-hour's boiling to remove the last trace of brine. A further session in a vinegar bath then sets the colour firm and the ginger is ready for grading.

• Grading is done by hand and involves further peeling or cutting to divide the whole rhizome into pieces conforming to the trade descriptions of "stem ginger" (choice selected, or standard); "cargo ginger"; "medium ginger" (standard, or small, also called third ginger); "fourth ginger", and "shavings".

Stem ginger is the grade and form most familiar to the ginger gourmet: the root has been cut into small, toothsome pieces with shape standardized to resemble a big cherry with pointed poles. Less than 20 per cent of the rhizome merits this grading. The other gradings derive more from differences in the sizes and shapes of the ginger roots and consequent inability to cut them up to stem ginger standards, or because they are remains of the stem ginger selection. They go largely to the baking or confectionery trades where sizing is of less consequence; the ginger in itself is not of inferior quality.

• After grading, each piece of ginger is carefully pricked all over with specially-devised forks to increase its absorption powers for the coming steeping in sugar syrup and also to prevent further shrinkage by opening up the ginger to the syrup. Following a 48-hour water bath, the ginger is first soaked overnight in a thin syrup, then is cooked slowly in thick syrup until it takes on the familiar reddish-golden colour. It stands in hot syrup for a fortnight, absorbing sweetness and undergoing a mild fermentation.

• To make the mash into "preserved ginger in syrup", all that is required is a final light cooking to effect complete sterilization and ensure the appropriate concentration of syrup. For the preparation of "dry crystallized ginger" the final cooking takes place in a warm oven for the express purpose of evaporating the moisture present: the syrupy mass gradually solidifies and the sugar crystallizes. In the final packing, free powdered sugar is added.

Shipping to Markets

For movement to markets, virtually all preserved ginger in syrup is packed in bulk in wooden casks of 224 pounds net weight. Only 4 to 5 per cent is put up in the attractive, family-sized Chinese porcelain jars, or in tins. Similarly most of the dry crystallized ginger is packed in bulk in wooden cases of 56 pounds net each, or less, and only a small percentage is sold in one pound, half-pound, or quarter-pound tins.

For the much more important preserved ginger in syrup, the trade has developed three types of pack: "London Packing" (133¼ pounds ginger and 90¾ pounds syrup) for sale in the United Kingdom and Holland; "New York Packing" (180 pounds ginger and 44 pounds syrup) traditionally preferred by the United States market but also by Germany; and "Australian Packing" (200 pounds ginger and 24 pounds syrup) preferred by Australia and South Africa. Prices of these different packs vary directly with the ginger content. For example, the Hong Kong Preserved Ginger Distributors Limited are currently selling choice-selected young stem ginger in syrup to local exporters at HK$174 per 112 pounds London Packing, HK$219 New York Packing, and HK$239 Australian Packing, all f.o.b. Hong Kong. These prices are nearly 100 per cent higher than in 1952.

Since Hong Kong is the world's chief source of preserved ginger, Canada's requirements are largely drawn from the Colony. Our total postwar annual consumption, which has averaged 250 thousand pounds, has been about 95 per cent Hong Kong ginger. Actually, however, our demand is small in comparison with that of the United Kingdom, Holland, Australia or Germany, which together buy close to six million pounds. However, it is of interest to note that Canada is the exclusive source of barrel staves for the wooden casks, thereby assisting indirectly in the production of this unique Empire product. •

Christmas trees *from Canada*

C. S. COLLINS, *Office of the Trade Commissioner, New York.*

EVERY YEAR Canada supplies about one-quarter of the Christmas trees used in the United States; last year Canadian shipments exceeded five million dollars in value. To put it another way, it is estimated that, of every ten Christmas trees cut in Canada, seven find their way across the border.

Buyers in this section of the United States prefer balsam fir to any other species; spruce comes next in popularity, then pine and cedar. Usually the trees are shipped in bundles because they are quite pliable when they are freshly cut. Shippers vary the quantity per bundle, but the average number works out as follows:

Height	*Trees per bundle*
12 ft. and over	1
10 to 12 ft.	2
7 to 10 ft.	3
5 to 7 ft.	4
4 to 5 ft.	5 or 6
4 ft. and less	10 to 12

Types in Demand

Trees from five to six feet high are most in demand and, in all heights, customers want straight sawn butts. The small 'table tree" from one to three feet high is becoming very popular. These trees are usually treated with a secret chemical preservative which gives them a white or silvery appearance and they are packed individually in cardboard cartons, complete with a metal or wooden base containing tree sap. Supermarkets are the largest outlets for this type of tree, and one supplier in Minnesota has done a thriving business during the past four years in meeting the demand for table trees from food chain stores across the country. The buyer is usually the city apartment dweller who has become accustomed to picking up most household needs with his groceries. This trade is likely to grow and merits the attention of Canadian firms.

Christmas trees in their natural state enter the United States duty free, but trees which have been chemically treated or preserved in any way are subject to a United States import duty of 10 per cent under paragraph 1558 of the U.S. tariff. Such a duty is not prohibitive for this type of trade.

During November and December of last year a total of 1,694 carloads of trees were shipped from Quebec, New Brunswick and Nova Scotia to points in New York State east of Buffalo, to Pennsylvania east of Pittsburgh, and to New Jersey.

The following is a breakdown by provinces of shipments to this area last season:

	November	*December*
New Brunswick	204 cars	263 cars
Nova Scotia	168 "	561 "
Quebec	127 "	371 "

The average carload consists of approximately 1,800 trees, so this means that at least three million Canadian trees were sold within a 250-mile radius of New York City. In addition, individual cutters in Eastern Canada trucked in substantial quantities. The larger, well-known importers have long-established connections with suppliers in Eastern Canada and they send their buyers up in late August or early September to arrange for cutting and shipment. In other cases, Canadian shippers send representatives to the United States to make contracts before the shipping season which begins in November.

During the past few years, the movement of Christmas trees by truck from Eastern Canada has shown a marked increase. The smaller suppliers of less than carload lots prefer to bring in supplies themselves and in this way reduce transportation costs, as railway freight rates from points in New Brunswick and Quebec to this area average $1.25 per 100 pounds, plus 15 per cent of the total freight charge.

In the past, such shipments have not been uniform in quality and have contained too small a percentage of balsam fir and too large a percentage of less desirable species. As a result local merchants last season made numerous complaints to the New York office about the inferior species and quality of the Canadian trees and about the unevenly sawn butts. Canadian Christmas trees have usually had an excellent reputation here and this makes it all the more vital that shippers strive to maintain a high standard in the trees they select.

Tour of Territory

H. W. RICHARDSON, Commercial Secretary in Athens, is visiting Israel from October 25-November 7. Businessmen who wish Mr. Richardson to undertake assignments for them there should cable him c/o the Canadian Embassy, Farmers Building, near Hakyria, Tel-Aviv.

trade and tariff regulations

Belgium

SUBSIDIES FOR CANNED SALMON SALES—On August 27, 1954, an official decree was issued in Belgium restricting retail sale prices of canned salmon, peanut oil and rice, in order keep down the cost-of-living index, which had shown a tendency recently to rise above certain margins. To achieve this, the Belgian authorities are temporarily granting subsidies on these products amounting to the difference between the importer's cost price and the obligatory sales price. The amount of the subsidies will vary according to quotations on the international market.

This measure is of a temporary nature only, and affects only the above food products which are included in the calculations of the Belgian cost-of-living index and the prices of which have risen somewhat—Brussels, Sept. 30.

DOLLAR ACCOUNTS PERMITTED—A recent modification of rules and regulations of the Belgo-Luxembourg Foreign Exchange Control Institute, published in the official *Gazette* of September 17, 1954, relates to the creation, under certain conditions, of special dollar accounts in Belgian banks which will allow exporters to maintain such accounts in United States and Canadian dollars resulting from commercial transactions.

United States and Canadian dollars received in payment from foreign buyers must be turned in to the banks within eight days of their receipt if these moneys are not put into a so-called "commercial account". These accounts can be used for subsequent payments in dollars as authorized by the Control Institute—Brussels, Sept. 30.

Bermuda

IMPORT LICENSING NOTICE—The Bermuda Supplies Commission advised importers on September 24th that, on and after January 1, 1955, import permits will be granted for the importation from Canada and the United States of the following commodities:

Air-conditioning	Cutlery (table and flat E.P.N.S.)
Dehumidifiers, electric	Fire extinguishers
Fountain pens	Glass bottles
Lighters, cigarette	Night latches, rim
Office furniture, metal	Piano organ attachments
Pipe, galvanized	Scissors
Soil pipe	Straws, drinking
Trophies (cups, medals, shields), silver and silver plated	

India

EXPORT DUTY ON PEANUT OIL—The Government of India, on September 1st, announced a reduction in the export duty on peanut oil from Rs.350 to Rs.225 per long ton, effective immediately. This action has been welcomed by shippers as it is expected to assist exports materially, particularly to the United Kingdom and Far Eastern markets—Bombay, Sept. 15.

Indonesia

IMPORT REGULATIONS CLARIFIED—Firms in Indonesia were reminded in a press release issued by the Indonesian Ministry of Economic Affairs that they are prohibited under existing regulations from entering into binding contracts for the purchase of foreign goods before being in possession of the necessary import licence and exchange permit. The Ministry pointed out that a large number of goods have been shipped to Indonesia during the past few months prior to the issuance of an Indonesian exchange permit and without the necessary import licence.

Canadian exporters might consider it advisable, therefore, not to ship goods to Indonesia until they are assured that their customers have obtained the required Indonesian import documents—Djakarta, Oct. 7.

Malaya

IMPORT DUTIES—To defray in part the budget deficit, now estimated at M$175 million for 1954, the Federation of Malaya imposed new or increased duties on a long list of imports, effective September 22nd. The import taxes on 43 classes of goods, covering luxuries and essentials alike, are expected to increase Malaya's revenue by M$15 million. The reason for the financial deficit is that government expenditure on education, health, tele-communications and postal services has had to be increased without a corresponding increase in revenue—Singapore, Sept. 23.

New Zealand

DOLLAR IMPORT LICENCES FOR SERVICE PARTS OF MOTOR VEHICLES—The New Zealand Department of Customs announced September 30, 1954, that 1955 licences may be granted for the import of service parts of motor vehicles (excluding

certain parts) from Canada and the United States up to 40 per cent of the value of licences granted for the import of service parts from these sources during 1954.

Details of service parts excluded from the above quota may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF —The South Africa Board of Trade and Industry has received the following representations respecting increases in the South African tariff:

Increase in duty on:

1. The following upholstery materials (including those admissible under items 129(e) and 130(d) at reduced rates of duty) from various rates of duty to 24 per cent ad valorem: jute felt, sisal padding, cotton batting, cotton seat pads, glazed wadding, plastic coated jute floor covering, rubberized hair, moulded hair pads, woollen felt.

2. Tinned asparagus, from 20 per cent to 33⅓ per cent ad valorem.

3. Brake linings for original equipment of motor vehicles and for replacement, from various rates of duty to 20 per cent ad valorem.

4. Shearing and punching machines (hand-operated) from 5 per cent (intermediate rate) to 20 per cent ad valorem.

5. Floor sanding machines from free of duty (minimum rate) and 5 per cent ad valorem (intermediate rate) to 15 per cent and 20 per cent respectively.

6. (a) Crane mechanical components including lifting blocks, winches and crabs, from 7 per cent to 20 per cent ad valorem.

(b) Structural steel work associated with and/or forming an integral part of cranes, mechanical excavators and loaders, winches not being used for whaling, trawling or mining purposes, hoisting crabs, chain blocks, spiral chutes, gravity conveyors and shears, from 7 per cent to 20 per cent ad valorem.

7. (a) Vulcanized rubber insulated electric cables from 3s. 9d. per 100 lb. (intermediate rate) to 30 per cent ad valorem.

(b) Plastic insulating tape from 5 per cent (intermediate rate) to 30 per cent ad valorem.

8. Metal supporting poles, masts or structures, including cross arms and stay fittings for overhead electric power transmission lines, from 5 per cent (intermediate rate) to 20 per cent ad valorem.

Interested Canadian firms may wish to have their views on tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations would be for such firms to request their representatives in South Africa to act on their behalf before the Board.

IMPORT CONTROL POLICY FOR 1955—Information on the South African import control policy for 1955, which was announced on October 6, 1954, has been cabled from Johannesburg. The main provisions of the new policy are as follows:

- Imports of raw materials, consumable stores and maintenance spares will be permitted up to 90 per cent of the imports in 1954.
- Imports of agricultural implements, machinery and spares will be permitted up to 60 per cent of the imports in 1954.
- The import quota for consumer goods will be 33⅓ per cent of 1948 imports; this compares with a quota in 1954 of 45 per cent of 1948 imports.
- Motor vehicle assembly plants will be given increased quotas for components.
- If individual importers are prepared to surrender at the rate of £3 of quota for consumer goods they will be permitted to import £1 of goods on the restricted list; the rate prevailing in 1954 is £5 of quota for £1 of restricted goods;
- Some products will be removed from the restricted list.

In recent years it has been the practice of the South African Government to increase the initial quotas as the year progresses. Individual South African importers may use their entire quotas to purchase from the dollar area if they wish.

Further details will be published as they become available.

Sweden

MANY DOLLAR IMPORTS FREED FROM LICENCES—Effective October 1, Sweden freed from import licensing requirements a considerable number of products if they are imported from dollar countries. These include various raw materials, foodstuffs, machinery and many consumer goods, and form a substantial percentage of all Canadian exports to Sweden.

The liberalization of dollar imports was motivated by the desire of the Swedish authorities to keep down prices. They hope to achieve this by permitting Swedish industries to purchase raw materials and most production goods freely from the most efficient producers. By being able to buy their raw materials and components in the most economic markets, the Swedes hope that the competitive position of their exports on world markets can be improved. Further, the liberalized dollar imports, including many con-

sumer goods, are expected to reduce prices in the Swedish home market by increasing competition. They will also add to the assortment of goods available to the Swedish consumer.

For dollar imports that have not been liberalized, import licences are to be issued at an increased rate for most goods on the Swedish list of liberalized imports from members of the Organization for European Economic Co-operation. Such imports may take place directly from the dollar area or via other countries. Canadian exports in this category include primary non-ferrous metals other than nickel, ores of base metals, crude asbestos, and furskins. On the other hand, wheat and coarse grains, clover seed, passenger automobiles, primary nickel, cotton fabrics and pickled salmon remain under import control.

The list of liberalized dollar items contains the following goods which appear to be of interest to Canadian exporters:

Synthetic rubber
Planks and boards
Canned salmon
Canned lobster and shellfish
Live minks
Sauces, meat extracts and concentrated soups
Cornflakes and similar breakfast cereals
Canned fruits and vegetables
Canned soups
Fruit juices
Petroleum coke
Paraffin
Medicinal preparations, including antibiotics
Many chemical products
Motion picture films
Raw cattle hides
Shoe leather, including patent leather
Manufactures of leather
Rubber hose and belting
Tires and tubes
Various manufactures of wood
Books and printed matter
Synthetic fibre threads and yarn
Leather and rubber footwear
Fire brick
Optical lenses
Iron or steel bars
Various types of steel plates and sheets
Manufactures of iron and non-ferrous metals
Needles
Porcelain insulators
Gasoline engines
Agricultural machines
All industrial machinery
Electric motors
Electrical apparatus
Radios and wireless apparatus
Automobile parts other than bodies or chassis (except those for the assembly of automobiles in Sweden)
Tractors
Goggles, spectacles and mounted optical glass
Typewriters and parts
Bookkeeping and calculating machines and parts
Dental and surgical instruments
Polystyrene, cellulose products and other plastic materials
Buttons
Fishing tackle
Fountain pens

Readers wishing information about the status of other goods relative to the Swedish dollar import liberalization should write to the International Trade Relations Branch of the Department. They might also refer to the note on Sweden on page 22 of the October 16th issue of "Foreign Trade".

United States

RATE OF DUTY ON WOOD DOWELS REDUCED—By Public Law 595, effective August 16, 1954, U.S. Tariff Paragraphs 401 and 1803, and 3424 of the Internal Revenue Code, are amended by inserting the word "dowels". The effect of this amendment is to make dowels subject to the rates of duty applicable to lumber produced from the same species of wood.

"RETURNED GOODS" PROVISION OF THE TARIFF AMENDED—By Public Law 595, effective August 16, 1954, U.S. Tariff Paragraph 1615(a) is amended so as to grant duty-free entry for the following goods:

"Articles, previously imported, with respect to which the duty was paid upon such previous importation, if (1) re-imported, without having been advanced in value or improved in condition by any process of manufacture or other means, after having been exported under lease to a foreign manufacturer, and (2) re-imported by or for the account of the person who imported them into, and exported them from the United States."

"SIMILITUDE" PROVISION OF THE TARIFF AMENDED—U.S. Tariff Paragraph 1559, dealing with unenumerated articles, has been amended by the Customs Simplification Act of 1954, approved September 1, and effective October 1, 1954, to read as follows: Par. 1559 (a). "Each and every imported article, not enumerated in this Act, which is similar in the use to which it may be applied to any article enumerated in this Act as chargeable with duty, shall be subject to the same rate of duty as the enumerated article which it most resembles in the particular before mentioned; and if any non-enumerated article equally resembles in that particular two or more enumerated articles on which different rates of duty are chargeable, it shall be subject to the rate of duty applicable to that one of such two or more articles which it most resembles in respect of the materials of which it is composed."

Instructions issued by the U.S. Customs (T.D. 53582), in this regard, state in part as follows: "In ascertaining whether any non-enumerated article is equally similar in use to two or more enumerated articles on which different rates of duty are chargeable, consideration shall be given to the frequency of use of the enumerated articles for a particular purpose. It is not the aggregate use of the enumerated articles for various purposes which controls. Thus if a non-enumerated article is chiefly used for

a particular purpose, it will be related to that one of the enumerated articles which is most frequently used for the purpose for which the non-enumerated article is chiefly used."

Venezuela

TRADE AGREEMENT WITH CANADA EXTENDED —The commercial Modus Vivendi between Canada and Venezuela has been renewed for another year from October 11th. Under this Agreement, Canada and Venezuela exchange full most-favoured-nation treatment with regard to customs charges and other regulations and restrictions affecting trade. As a result, Canadian goods, on their entry into Venezuela, will continue to receive as favourable treatment as imports from any other foreign country. In return, imports into Canada from Venezuela are accorded the most-favoured-nation rates of the Canadian tariff.

Venezuela, with no overall import and exchange controls, is Canada's second largest market in Latin America. Leading Canadian exports this year are wheat flour, milk powder, eggs, aluminum and newsprint. The total is made up of a wide range of items including less essential foodstuffs and consumer goods.

On the import side, Venezuela is by far the largest Latin American supplier to the Canadian market. The bulk of Canada's crude petroleum imports come from Venezuela, plus substantial quantities of cocoa and coffee.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

W. J. MILLYARD, Commercial Secretary in Bogotá, Colombia, began his Canadian tour in Ottawa on September 20th. His itinerary is:

Toronto—Nov. 8-23	Winnipeg—Dec. 7
Hamilton—Nov. 24-25	Calgary—Dec. 9
Brantford—Nov. 26	Vancouver—Dec. 13-17
London—Nov. 29-30	Welland—Jan. 3
Windsor—Dec. 1	Kitchener—Jan. 4
Sarnia—Dec. 2	Guelph—Jan. 5

T. G. MAJOR, Canadian Government Trade Commissioner in Dublin, Republic of Ireland, and Belfast, Northern Ireland, began his Canadian tour in Ottawa on September 7th, and will complete it in Montreal, November 1-8.

R. W. BLAKE, Commercial Secretary and Agricultural Secretary in Melbourne, Australia, began his Canadian tour in Montreal on October 8th. His itinerary is:

Winnipeg—Oct. 29-Nov. 2	Edmonton—Nov. 8-9
Regina—Nov. 3	Calgary—Nov. 10
Saskatoon—Nov. 4-5	Vancouver: Victoria—Nov. 12-18

K. F. NOBLE, Canadian Government Trade Commissioner in Johannesburg, South Africa, began his Canadian tour in St. Hyacinthe on September 7th. His itinerary is:

Edmonton—Nov. 4-5	Victoria—Nov. 24
Calgary—Nov. 8	Vancouver—Nov. 25-30

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Montreal, Saskatoon.

Chamber of Commerce—Calgary, Hamilton, Kitchener, London, Regina, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Toronto, Winnipeg.

Department of Trade and Commerce—Vancouver (355 Burrard Street).

Department of Trade and Industry—Victoria.

ARGENTINA
Ottawa—Economic Attaché, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Chargé d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Bldg.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attaché, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH HONDURAS
Montreal—Trade Commissioner for British Honduras, 37 Board of Trade Bldg.

BRITISH WEST INDIES and THE BAHAMAS
Montreal—Trade Commissioner for British West Indies and The Bahamas, 37 Board of Trade Bldg.

foreign commercial representatives in Canada

CHILE
Montreal—Consul General of Chile, 1410 Stanley Street.
Vancouver—Consul of Chile, 550 Beatty Street.

CHINA
Ottawa—Commercial Attaché, Embassy of the Republic of China, 201 Wurtemberg Street.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Ottawa—First Secretary and Consul, Suite 16, Roxborough Apartments.
Montreal—Consul General of Colombia, 443 Prince Albert Street, Westmount.
Toronto—Consul General of Colombia, 499 Oriole Parkway.
Vancouver—Consul of Colombia, 550 Beatty Street.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Montreal—Consul General of Cuba, 1117 St. Catherine Street West.

CZECHOSLOVAKIA
Montreal—Commercial Attaché of Czechoslovakia, 1255 Phillips Square.

DENMARK
Ottawa—Royal Danish Legation, 451 Daly Avenue.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1140 St. Catherine Street West.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 20 Bower Street.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Avenue.

ECUADOR
Montreal—Consul General of Ecuador, 271 Glengarry Avenue, Mount Royal.

EGYPT
Ottawa—Vice-Consul, Egyptian Consulate General, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND

Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE

Ottawa—Commercial Counsellor to the French Embassy, 464 Wilbrod Street.
Montreal—Commercial Attaché of France, 610 St. James Street West.
Toronto—Commercial Attaché of France, 185 Bay Street.

GERMANY

Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consulate General of the Federal Republic of Germany, 1529 McGregor Street.
Toronto—Consulate of the Federal Republic of Germany, 77 York Street.
Vancouver—Consulate of the Federal Republic of Germany, 213-214 Crown Bldg., 615 West Pender Street.

GREECE

Ottawa—First Secretary, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA

Montreal—Consul General of Guatemala, 401 Metcalfe Avenue, Westmount.

HAITI

Ottawa—Consul General of Haiti, 18 Rideau Street.
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS

Montreal—Consul General of Honduras, 1117 St. Catherine Street West.

INDIA

Ottawa—Second Secretary (Commercial), Office of the High Commissioner for India, 200 MacLaren Street.

INDONESIA

Ottawa—Commercial Counsellor, Indonesian Embassy, 140 Wellington Street.

IRAQ

The Consul General of Lebanon is in charge of Iraqi interests. See address below.

IRELAND

Montreal—Irish Trade Representative (Irish Export Promotion Board), 1015 Beaver Hall Hill.

ISRAEL

Ottawa—First Secretary, Legation of Israel, 45 Powell Avenue.
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

ITALY

Ottawa—Commercial Attaché, Embassy of Italy, 133 Sparks Street.

JAPAN

Ottawa—Second Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON

Ottawa—Consul General of Lebanon, 470 Wilbrod Street.

LUXEMBOURG

Montreal—Consul General of Luxembourg, 4832 Western Avenue.

MEXICO

Montreal—Consul General of Mexico, Room 506, Castle Bldg.

MONACO

Montreal—Consul of Monaco, Room 35, 35 Notre Dame Street West.

NETHERLANDS

Ottawa—Commercial Counsellor, Embassy of the Netherlands, 12 Marlborough Avenue.
Montreal—Netherlands Consulate, 1103 Castle Bldg., 1410 Stanley Street.
Toronto—Netherlands Consulate, 159 Bay Street.
Vancouver—Netherlands Consulate, 475 Howe Street.

NEW ZEALAND

Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Bldg.

NORWAY

Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.

PAKISTAN

Ottawa—Commercial Attaché to the Pakistan High Commissioner, 499 Wilbrod Street.

PERU

Ottawa—Second Secretary, Embassy of Peru, 539 Island Park Drive.

POLAND

Ottawa—Acting Commercial Attaché of the Polish Legation, 183 Carling Avenue.

PORTUGAL

Ottawa—Legation of Portugal, 285 Harmer Avenue.
Montreal—Consul of Portugal, 1499 Bishop Street.

SPAIN

Ottawa—Commercial Office, Spanish Embassy, 149 Daly Avenue.

SWEDEN

Ottawa—Secretary, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop Street.

SWITZERLAND

Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 600 University Avenue.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.

THAILAND

Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.

TURKEY

Ottawa—Turkish Embassy, 197 Wurtemberg Street.

UNION OF SOUTH AFRICA

Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.

UNION OF SOVIET SOCIALIST REPUBLICS

Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.

UNITED KINGDOM

Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Halifax—United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 65 Spring Garden Road.
Montreal—United Kingdom Trade Commissioner for Quebec, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge Street.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.

UNITED STATES

Ottawa—Commercial Attaché, Embassy of the United States, 100 Wellington Street.
Calgary—Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, King's Bridge Road.
Toronto—Consul General of the United States, 360 University Avenue.
Vancouver—Consul General of the United States, 355 Burrard Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.

URUGUAY

Ottawa—Chargé d'Affaires a.i., Legation of Uruguay, Room 726, Chateau Laurier.

VENEZUELA

Ottawa—Commercial Counsellor, Embassy of Venezuela, Room 613, Chateau Laurier.
Halifax—Vice-Consul, Pickford & Black's Wharf.
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
Toronto—Consul, 25 Adelaide Street East.
Vancouver—Vice Consul of Venezuela, 200-603 West Hastings Street.

YUGOSLAVIA

Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.
Toronto—Consul General of the FPR of Yugoslavia, 454 Spadina Avenue, Suite 202.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02993.

foreign exchange rates

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 15	Notes (See below)
Argentina	Peso	Preferential buying	·1294	
		Basic buying	·1942	
		Preferential selling	·1942	(1)
		Basic selling	·1294	
		Free	·06989	
Austria	Schilling		·03734	
Australia	Pound		2·1710	
Belgium Luxembourg & Belgian Dependencies	Franc		·01940	
Bolivia	Boliviano	Official	·00511	
British West Indies	Dollar		·5654	(3)
	Pound		2·7138	(4)
	Dollar	Brit. Honduras	·6784	
Brazil	Cruzeiro	Official selling	·05159	tax 8%
		Official buying, coffee	·04156	(2)
		Official buying, other	·03424	(5)
		Free	·01535	
Burma	Kyat		·2039	
Ceylon	Rupee		·2035	
Chile	Peso	Official	·00883	(1)
Colombia	Peso	Basic	·3884	
Costa Rica	Colon	Official	·1729	(6)
		Controlled free	·1462	
Cuba	Peso		·9709	tax 2%
Czechoslovakia	Koruna		·1348	
Denmark	Krone		·1406	
Dominican Republic	Peso		·9709	
Ecuador	Sucre	Official	·06476	
		Free	·05615	
Egypt	Pound		2·7881	
Fiji	Pound		2·4448	
Finland	Markka		·00422	
France	Franc		·00277	(7)
French Africa	Franc		·00555	(8)
French Pacific	Franc		·01526	(9)
Germany	D Mark		·2311	
Greece	Drachma		·03236	
Guatemala	Quetzal		·9709	
Haiti	Gourde		·1942	
Honduras	Lempira		·4855	
Hong Kong	Dollar	Free	·1649	*Oct. 1
Iceland	Krona	Official	·05962	
		Special buying	·04591	
		Special selling	·03699	
India	Rupee		·2035	
Indonesia	Rupiah	Basic	·08517	(10)
Iran	Rial	Certificate	·01166	
Iraq	Dinar		2·7186	

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 15	Notes (See below)
Ireland	Pound		2·7138	
Israel	Pound	Official	·9709	
		Premium	·5394	
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·3003	
Mexico	Peso		·07768	
Netherlands	Guilder		·2552	
Netherlands Antilles	Guilder		·5148	
New Zealand	Pound		2·7138	
Nicaragua	Cordoba	Effective buying	·1471	(11)
		Official selling	·1377	
		With Surcharge I	·1206	
		With Surcharge II	·09661	
Norway	Krone		·1359	
Pakistan	Rupee		·2935	
Panama	Balboa		·9709	
Paraguay	Guarani	Basic	·04624	(1)
		With Surcharge I	·03596	
		With Surcharge II	·02697	(12)
Peru	Sol	Certificate	·05089	
Philippines	Peso		·4855	tax 17% (2)
Portugal	Escudo		·03389	(13)
El Salvador	Colon		·3884	
Singapore & Malaya	Straits dollar		·3166	
South Africa (Union of)	Pound		2·7138	
Spain & Dependencies	Peseta	Basic buying	·04434	
		Basic selling	·08654	
		Basic commercial selling	·05911	(1)
		Free	·02493	
Sweden	Krona		·1877	
Switzerland	Franc		·2264	
Syria	Pound	Free	·2714	*Sept. 5
Thailand	Baht	Official	·07768	(1)
		Free	·04480	*Aug. 31
Turkey	Lira		·3468	
United Kingdom	Pound		2·7138	
United States	Dollar		·9709	
Uruguay	Peso	Official	·6392	
		Basic buying	·5455	
		Special buying	·4132	(1)
		Basic selling	·5110	
		Special selling	·3963	
Venezuela	Bolivar		·2898	(14)
Yugoslavia	Dinar		·00324	

* Latest available quotation date.

notes

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective selling is official plus auction price of certificates. Effective buying is 80 per cent at official, 20 per cent at free.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Metropolitan France, Algeria, Tunisia, Morocco, French Guiana, Guadeloupe, Martinique.
8. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
9. New Caledonia, New Hebrides, Oceania.
10. Indonesia: Basic rate applies to all exports and essential imports. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product.
11. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
12. Paraguay: Basic rate applies to most Paraguayan exports.
13. Approximately same rate for currencies of Portuguese Territories in Africa.
14. Venezuela: There are provisions for special rates for exports of petroleum, cocoa and coffee, not at present in effect for cocoa and coffee.

businessman's bookshelf

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Order from: Canadian Manufacturers' Association, Inc., 67 Yonge Street, Toronto 1, Ontario.

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Order from: Technical Service Centre for Tin, Ontario Research Foundation, 43 Queen's Park, Toronto 5, Ontario.

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Order from: Canadian Manufacturers' Association, 67 Yonge Street, Toronto 1, Ontario.